(The House of Representatives was called to
order at 11:07 o'clock a.m., Speaker Joe Aresimowicz
of the 30th District in the Chair.)

CLERK:

The House of Representatives will convene
immediately. Members to the Chamber. The House of
Representatives will convene immediately. Members
to the Chamber.

SPEAKER ARESIMOWICZ (30TH):

Will the House please come to order. Will
members, staff and guests please rise and direct our
attention to the dais where Rabbi Alan Lefkowitz
will lead us in prayer.

RABBI ALAN LEFKOWITZ:

Good morning. It is interesting to note that
the laws that were given to the children of Israel
as they were wandering in the wilderness not only describes the physical location of the children of Israel but also their spiritual condition as well, wandering in the wilderness. It was now two years since the Exodus. So God gave the message to the people: Love your neighbor as yourself.

Few realize that before you can love others as yourself, you must love yourself. We hear those words, but do we really know what they mean? I have been asked, "doesn't loving oneself mean being selfish or arrogant?" "How can I truly love myself since I have so many -- I make so many mistakes? I have no shortage of character flaws."

The Scripture doesn't say love your personality or love your behavior. It says, love yourself and then love others as you do yourself. You can love yourself despite your mistakes and flaws because your true self is a soul. God wants us to remind ourselves every day. I am a soul - a spark of God. And God loves me as God loves all. And if God loves me, then surely I can love too.
God is waiting to be revealed through each of us. God is counting on each of us. So for us, let us allow ourselves a huge loving hug, do good and let God's loving light shine through you and upon you. And we say, Amen.

ALL:

Amen.

SPEAKER ARESIMOWICZ (30TH):

I'm now joined on the dais by Representative Turco of the 27th district who will lead us in the Pledge of Allegiance.

REP. TURCO (27TH):

(All) I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

SPEAKER ARESIMOWICZ (30TH):

We'll do a few announcements or introductions but it should be known that the Republican members of the House are having a caucus, so we'll do a couple of announcements and then we'll be going at
east. Are there any announcements or introductions? Representative Boyd of the 50th. Representative Currey? No? All right. No announcements or anything? All right. So we will go into at ease to allow the Republican members to continue their caucus and -- oh, you wanted to say the same thing? Yeah, I got you. Representative O'Dea of the 125th.

REP. O'DEA (125TH):

    Thank you, Mr. Speaker. For purpose of an announcements.

SPEAKER ARESIMOWICZ (30TH):

    Please proceed.

REP. O'DEA (125TH):

    At least now I can do the job I was ordered to do. Thank you very much, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

    I don't want to get you in trouble, Representative O'Dea.

REP. O'DEA (125TH):

    Believe me, you know my boss can get angry so, as we both know. (Laughing) In any event -- this
thing's not on is it? (Knocking) The Republicans are caucusing right now downstairs. Thank you very much, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

No problem. And members we will give you notice from the Clerk when we're getting an idea of how long it will take and he'll give the 15-minute call. With that being said, Representative Ritter.

REP. RITTER (1ST):

Mr. Speaker, we'll do the same thing on the Democratic side, so let's head into caucus and we'll come back out when everybody is ready. Thank you.

SPEAKER ARESIMOWICZ (30TH):

So we'll be recessing subject to the Call of the Chair. So ordered. (Gavel)

(On motion of Representative Ritter of the 1st District, the House recessed at 11:12 o'clock a.m., to reconvene at the Call of the Chair.)

(The House reconvened at 11:22 o'clock a.m.,
Deputy Speaker Ryan in the Chair.)

DEPUTY SPEAKER RYAN (139TH):

    The Chamber will come back to order. Will the Clerk please call Calendar No. 68? 68, excuse me 68.

CLERK:


DEPUTY SPEAKER RYAN (139TH):

    Representative Butler, sir you have the floor.

REP. BUTLER (72ND):

    Thank you, Mr. Speaker. Mr. Speaker, I move for adoption of the Joint Committee's Favorable Report and passage of the Resolution.

DEPUTY SPEAKER RYAN (139TH):

    Question before the Chamber is on acceptance of
the Joint Committee's Favorable Report and passage of the Resolution. Representative Butler, you have the floor.

REP. BUTLER (72ND):

Yes, Mr. Speaker. Today's Resolution is just an ongoing celebration of the longstanding anniversary between Connecticut and Taiwan as we recognize our sister state relationship. I move adoption.

DEPUTY SPEAKER RYAN (139TH):

Question is upon -- is for adoption. Any further comment on the Resolution? Representative O'Dea of the 125th, sir.

REP. O'DEA (125TH):

Thank you very much, Mr. Speaker. I rise in support of this Resolution and I thank the good Ambassador and staff for being here. We share a lot of their same beliefs and values in our economies and I didn't realize the -- we had $181 million worth of products exported to Taiwan in 2017 and so I'm very happy to be here speaking to the Ambassador
and her staff in support of this Resolution. Thank you very much.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representation. Representative Ritter of the 1st, sir you have the floor.

REP. RITTER (1ST):

Thank you, Mr. Speaker. And I too -- it was a pleasure to say hi to the Ambassador and her team who is here today and again we want to thank Speaker Ryan and Deputy Speaker Butler for all the hard work they put into this and we look forward to this going to the Senate immediately after adoption. Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Thank you. Will you remark further on the Resolution? Will you remark further on the Resolution? If not, I will try your minds. All those in favor of the Resolution signify by saying Aye.

Representative

Aye.
DEPUTY SPEAKER RYAN (139TH):

Opposed, Nay. The Ayes have it. The Resolution is adopted. (Gavel) The Chamber will stand at ease. Representative Ritter.

REP. RITTER (1ST):

Mr. Speaker, I would make a motion that we immediately transmit the Resolution to the State Senate. Thank you.

DEPUTY SPEAKER RYAN (139TH):

Hearing no objection -- is there objection? Is there objection? Hearing no objection, so ordered. The Chamber will stand at ease.

CLERK:

The House of Representatives will reconvene in two minutes. Members to the Chamber. The House of Representatives will reconvene in two minutes. Members to the Chamber.

The House of Representatives will convene immediately. Members to the Chamber. The House of Representatives will convene immediately. Members to the Chamber.
SPEAKER PRO TEMPORE GODFREY (110TH):

    House will reconvene. Mr. Clerk, I believe you have additional items on your desk?

CLERK:

    I have two items, Mr. Speaker. I have Emergency Certification House Bill No. 7424 and the daily calendar.

SPEAKER PRO TEMPORE GODFREY (110TH):

    Thank you, sir. Will you please all Emergency Certified House Bill No. 7424?

CLERK:


SPEAKER PRO TEMPORE GODFREY (110TH):

    The distinguished Chair of the Appropriations Committee, Representative Toni Walker.

REP. WALKER (93RD):
Good -- good evening. (Laughing) Is that an omen? Good afternoon, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

That's better. (Laughing)

REP. WALKER (93RD):

Mr. Speaker, I move passage of the Emergency Certified Bill.

SPEAKER PRO TEMPORE GODFREY (110TH):

Question is on passage of the Emergency Certified Bill. Will you explain the Bill please, madam?

REP. WALKER (93RD):

Thank you, Mr. Speaker. Mr. Speaker, before you we have a Bill that is presenting the budget from the Appropriations and the Finance Committee. The Bill before you today is under the spending cap by $0.2 percent -- I mean dollars and -- and $5 million in 21. The growth -- the growth -- the 20 -- FY20 growth rate for the General Fund is 1.7 percent over the FY19 and 30.4 over FY21. The budget that you see before you is covering the
General Fund Special Transportation, Banking, Insurance, Consumer Protection, Worker's Compensation, Criminal Injuries, Tourism, all for a grand total for 20 -- FY20 of $21,524,754,000.00. The -- the -- for FY21 the Bill will be approximately $22,407,180.00. Mr. Speaker, I move passage.

SPEAKER PRO TEMPORE GODFREY (110TH):

Question is on adoption. The distinguished Chairman of the Finance Committee, Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker, good afternoon. What we have before us as Representative Walker indicated is our budget. On the revenue side of the budget we see increases of approximately $980 million in the first year in the General Fund revenue and $1 billion 39 dollars in the second year of the budget. It's important to indicate that over half of both of those numbers are attributable to the hospital tax, which was negotiated successfully by the
administration. Still requires some more work to do but if you net out the hospital tax from those two numbers what we have is a constrained budget where we -- we were very strategic in terms of how much revenue we were going to raise. We limited ourselves in terms of how much revenue we were going to raise and a lot of the revenue changes that we made in the budget are in response to an ever-changing state economy that we have in which technology is moving much faster than government and absent our adjusting our tax policy to reflect the new realities of a technology-based and a service-based economy we end up hurting the state's revenue and our ability to fund important programs that matter to everyone. With that Mr. Speaker, the Clerk is in procession of an Amendment LCO 10581. I ask the Clerk please call the Amendment and I be given leave of the Chamber to summarize.

SPEAKER PRO TEMPORE GODFREY (110TH):

    Clerk is indeed in procession of LCO No. 10581, which will be designated House Amendment Schedule A.
Mr. Clerk, will you kindly call the Amendment?

CLERK:

Senate Amendment Schedule A, LCO No. 10581
offered by Representative Rojas, Senator Fonfara.

SPEAKER PRO TEMPORE GODFREY (110TH):

Gentleman has asked leave of the Chamber to
summarize. Without objection, Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. What this Amendment
reflects are the consensus revenue estimates that
the Finance, Revenue and Bonding Committee voted on
this morning. They reflect both policy changes and
growth in our revenue streams. I move adoptions.

SPEAKER PRO TEMPORE GODFREY (110TH):

Question is on adoption of House Amendment
Schedule A. Will you remark? Distinguished Ranking
Member of the Finance Committee, Representative
Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I would suggest to our
colleagues not to accept these revenue estimates as
I believe there are a number of items that we will discuss after we vote on this budget that I think are unachievable or unlikely to be achieved and the revenue estimates do not take into the impact these policies within this budget as well as the polices that were passed by this legislature earlier this session will have on our economy and the level of employment in our state, and the number of employers who will have left in the state after this session. It is for those reasons I will be opposing these estimates. Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, sir. Will you remark further on House A? Will you remark further on House A? If not, let me try your minds. All those in favor signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER PRO TEMPORE GODFREY (110TH):

Opposed? Nay. The Ayes have it, the Amendment is adopted. (Gavel) Will you remark on the Bill as
amended? Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, I have the distinct honor and privilege to be the Ranking Member of the Finance, Revenue and Bonding Committee, the House Republican Leader if you will on that Committee that deals with the budget, deals with issues with revenue coming into the state, how we borrow in the state. But when I rise here today, I can't help but feel that I'm not necessarily rising as that Republican Leader on the Finance Committee. What I'm feeling and what I'm going to express is the feeling felt as a concerned citizen of the state of Connecticut; one that is deeply concerned about the direction that this state is heading in. One that I'm deeply concerned about what was promised to us during campaigns but then turned around and taken away from us after people are elected to office.

I rise also as a concerned father of a young daughter here in the state of Connecticut, one that
I hope to have a future here in Connecticut. One that I hope will be able to stay here and be here for many, many years and hopefully my family can have generations to live here in the future. But I'm concerned that we're continuing to go down the wrong path with this budget.

Mr. Speaker, as a small businessperson here in the state of Connecticut. One whose trade industry is under attack under this budget with tax increases. One who will feel like so many small business owners and medium size business owners across the state; a tax increase on their income under this budget. And Mr. Speaker I rise as a member of the middle class of the state of Connecticut. One that is being squeezed left and right, in every which way by this budget by increased sales taxes, by increased income taxes, by increased spending, and increased borrowing. Mr. Speaker, this budget increases spending. This budget increases taxes, and this budget allows for an increase in borrowing. These are the things that
have gotten us into this problem that we're facing for so many years and so many decades. I can't find, or there are very few things in this budget that I can point to that can say, this is going to have a positive impact on employment here in the state of Connecticut. This is going to have a positive impact on business creation here in the state of Connecticut. This is going to have the ability for our economy to grow because of what's being done here today. In fact, quite the opposite in many cases throughout this budget I would argue, is going to slow down any semblance of economic growth we've had over the last couple of years. It's going to make it that much harder for an individual to live here in Connecticut, to be employed here in Connecticut, to start a business here in Connecticut, to operate here in Connecticut.

And with that Mr. Speaker, I do have a few questions and they could be directed to the Chairman of the Finance, Revenue and Bonding Committee or if you would like to have the Chairwoman of the
Appropriations Committee answer, she can feel free to do so as well. Through you Mr. Speaker. What is the total spending increase, all funds spending increase in the proposed budget here?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

I believe that would be Representative Walker.

Representative Walker.

REP. WALKER (93RD):

Thank you -- thank you -- thank you, Mr. Speaker. And through you Mr. Speaker, I thank the good gentleman for the question because I really -- I should have addressed this a little bit more clearly. In the -- in the summary that we received from Office of Fiscal Analysis this -- the budget that we have before us, it has two line items that I think we should hear about. One is the fixed cost versus the non-fixed cost. In this budget the fixed cost as the -- as the good gentleman knows from -- from his work in the Finance Committee are mostly our pensions, bonds, and other items that we have.
We have a growth rate of approximately 3.1 in this year and 4.8 in 2021. For non-fixed costs for the items that are in the budget that as you know, and I'm sure everybody else knows, those are more the healthcare, the services and things that we provide for the communities and the cities that we have. It's our -- it's our education. It's our higher education. It's healthcare. It's housing and a variety of others. Unfortunately, that increase was only 0.3 percent in 20 and 2 percent in 21. So then when I go through and look at that and I present it to the good gentleman for appropriations this year, it's $19.31 billion for 20 and $19.9 billion in 21, all which to say we are now -- our fixed costs are now exceeding the money that we invest back into the cities and the communities to do the jobs and things that we want so importantly to do like magnet schools, like ECS like after school. Like the Office of Higher Education, probate court, all of those things are in our non-fixed and unfortunately those numbers are starting to go down.
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I'm glad that the Chairwoman had mentioned that a lot of things are being squeezed out of the budget due to fixed costs. And through you Mr. Speaker, how much of those fixed costs are due to labor agreements, salary increases, things of the like?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I do not have that number in front of me right at this moment. I'll be glad to get it to you as soon as I can. Thank you, sir.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. I believe it's quite sizable but I will allow the kind Ranking Member of the Appropriations Committee to get more into details about that perhaps. Mr. Speaker, through you to the kind gentleman that is the Chairman of the Finance, Revenue and Bonding Committee, through you. What is the total tax increase included in this budget?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Over the biennium approximately $2 billion.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I know that the gentleman had mentioned the hospital tax being included in that number. Is that correct?

Through you Mr. Speaker.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So a $2 billion tax increase, we have billions of dollars or over a billion dollars in spending increases before us here today mostly due as the Chairman of the Appropriations Committee admitted, due to fixed costs. Things that at one time could have been in our control but are no longer in our control in a sense. They might be able to be in our control if we wanted it to be. Through you Mr. Speaker. I have a number of questions regarding the revenue side of the budget if I may, to the Chairman of the Finance, Revenue and Bonding Committee. From my reading of the budget that we received last evening so I haven't been able to go deeply into detail as I
would have preferred. Mr. Speaker, in section 317; is that the section where we begin diverting funds that were intended to go into the Special Transportation Fund?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That section does include our policy around sending General Fund revenues through the STF.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And through you, how much money is being diverted from going into this Special Transportation Fund in the first year of this biennium budget before us?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker, $58.2 million.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And through you, how much money is diverted from going into the Special Transportation Fund in the second year of the budget?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, $113 million.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Mr. Speaker, what's the policy about short-changing the Special Transportation Fund? What would be the reason why we would want to take money from a fund that is near insolvency or heading towards that because of this? Why -- why would we do that?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The policy is us trying to get to a balanced budget and that requires a lot of compromises that sometimes we want to make, sometimes we don't. The reality is and in the last couple of years we've actually sent a lot more General Fund money to the STF to support transportation initiatives. As you can remember the Governor proposed capping the -- the contribution of the new car -- new car sales tax at 8 percent. We are increasing it to 17 percent in the first year and 25 percent in the second year, which is ensuring that the STF is going to remain solvent for the next five years.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. Some would say this is money that was intended for the General Fund, that we decided to put in the Special Transportation Fund. Now the majority is deciding to take that money away from the Special Transportation Fund, but keep in mind this is money on the sales tax collected when someone purchases a new car. It's not like we're taking you know, money spent somewhere else in the budget and putting in the Special Transportation Fund and now we're taking it back where this is money that is collected by the state for a vehicle that most likely, almost entirely will be used within the state and using our roads and bridges and helping fund that. And what this budget does, it takes money that was intended to help fund those roads and bridges into the Special Transportation Fund and remove them to the tune of I think about $172 million, if I'm not mistaken. And it begs the question as to what's the ultimate end game here? Is the ultimate end game to drive the Special Transportation Fund into
insolvency so another revenue source may be
necessary? I don't know. There was no real
explanation whatsoever as to what the policy was
behind that other than oh, we needed the money so we
took it and we're going to spend it however we
please in the General Fund.

In Speaker, in sections 391 through 322 there
is now going increase on the sales tax on digital
good; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And that increase, is
that on all digital goods, certain digital goods,
what are the digital goods I guess would be a good
way to start and then we can go from there?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, this policy change is a reflection -- and certainly in the comment that I made earlier about needing to adjust our state tax policy to adjust technological advances in society; why should you be able to buy a movie or book online and now you pay sales tax but download a movie offline and not pay sales tax. So this is really to support or brick and mortar retailers in our state of Connecticut who are important to building jobs here who pay property taxes in our communities. If we don't adjust to the technological advances that are taking place, it certainly comes at the expense of some of our small business owners who I know Representative Davis supports quite a bit.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Can I stream Netflix at a brick and mortar store in the state of Connecticut or is that something that is done on either my mobile device or within my home?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

If he can repeat the first part of his question?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I asked that, and I'll rephrase it. The kind gentleman said this was somehow modernizing the -- the sale tax and now it will start applying to goods that were previously purchased at brick and mortar that are now being purchased at an online retailer. But through you
Mr. Speaker, and I guess I'll start with this question. Would something like Netflix have an increase in their tax rate for the consumer under this Bill?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. The sales tax would be applied to the subscription for Netflix.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So the tax will be increased on say, Netflix or Hulu or one of these other streaming services that you pay a subscription to; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So I guess my point would be that this is not a just way to somehow protect brick and mortar stores; it's to go after another source of revenue, to increase taxes on individuals for a product that is commonly used within the state of Connecticut. One that I know most of my friends have. I know most of my family uses. I'm sure many of your friends and family if you don't use it yourself will be paying more in taxes no matter what your income level is under this portion of the Bill. And Mr. Speaker, is there an exemption for business-to-business transactions within this digital goods tax increase?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. Yes, section 321 ensures that this is not applied to business-to-business.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And what about online streaming services that are somehow bundled? Like a -- an Amazon Prime comes to mind where you pay, I think it's now $119 a year. You get a suite of different products. You get the ability to ship in two days, but you also get access to Amazon Prime Video, which would be a digital good. You get access to Amazon Music which would be a digital good. You get access to Amazon Photos which would be a digital good, so on and so forth. Through you Mr. Speaker. Would that membership now be broken up onto what portions of it are going to be charged as additional tax or would it all be taxed at the same rate? Was it previously taxed at different rates?
How does that work?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The current rate for taxing these particular services is at 1 percent. It would obviously go to the standard sales tax increase of 6.35 and it would apply to any of those services that are outlined in section 320 whether it's audio work, whether it's music or visual work, whether it's picture or audiovisual work, if it's a movie that you're downloading or a book online or a ringtone.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Would this also include like if you were to purchase say Microsoft Office for a college student? Would they have to be
paying a higher sales tax to purchase that?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So if they were to like download the -- so say they buy a computer to go to college, they get a laptop, they need to buy the software. Currently under existing law they'd be paying only 1 percent. Under this new law they'd be paying 6.35 percent; is that correct?

Through you Mr. Speaker.

REP. ROJAS (9TH):

That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. So that college student would be paying a higher tax on their software then?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, would a digital good that is purchased on someone's phone whether it be like a piece of music like from the Apple iTunes store or a movie maybe from Google Play or an app, a game that their child uses on their iPad or on their phone, would those all have a higher tax under this proposal?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker. Yes.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So these individuals would be paying higher taxes that purchase these types of items. How much tax is going to be generated through this increase?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. $27 million in the first year, $37 million in the second.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So that's $27 million that the people of Connecticut have in their pocket. They have in their pocket right now when they're
buying the very same goods. Now when they're going to go and do the same thing most likely. I don't know if somebody is going to cancel their Netflix because of this. I don't know if they're going to stop buying that game for their kid just so they get those few minutes of solace so their kid can play a couple of games before they go to bed perhaps. But now they're going to be paying an additional $27 -- over $30 million a year out of their pockets to the state of Connecticut. That's money that's not going back into our economy as the kind gentleman mentioned. It's going to the state. These are goods that -- as he mentioned, probably aren't benefiting or mostly aren't benefiting Connecticut-based businesses but it would be a huge tax increase on those individual purchasers that are now going to be going to the state of Connecticut. I find that troubling.

Mr. Speaker in sections 323, 324 there appears to be a new tax imposed here. I believe sometimes it's called a Meals Tax. Sometimes it's called a
tax on Prepared Food.

Through you Mr. Speaker, what are we doing regarding food in this section of the Bill?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. We're adding a 1 percent sales tax on prepared foods.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So this would be on top of the 6.35 percent that people are already paying to go and buy food at a restaurant or through a caterer or at a grocery store that's prepared; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So would this apply to if you're going to say, McDonald's and you wanted to purchase something off the dollar menu, would you be charged an extra cent because of this?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

That's correct. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And if you wanted to then go to a fancy restaurant and get dinner, would you also be paying a 1 percent tax increase?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So does this apply to just food or is on beverages that are purchased at these type of establishments as well?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. It applies to food and beverage.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Does it apply to all beverages? Like if I got a glass of water and they
charged me for that, I would be charged an extra 1 percent for that as well or is only on like soda and beer and liquor and wine?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I would be concerned about a restaurant that charges you for water, but certainly on soda and alcohol that would apply.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And from my reading of this, it's limited to beverages that are spirituous which I believe is like a whiskey or vodka or something along those lines. Malt liquors which I guess would be commonly considered beer or something along those lines then vino liquors which would be wine. And through you Mr. Speaker. What about
beverages that are gaining in popularity like a cider which doesn't fall under any of those categories; would that have an additional 1 percent on it?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Certainly, cider is not named in the -- in the Bill here. Certainly, if it's a beverage that's served at an eating establishment, I would assume that it is subject to the 1 percent tax as well.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So although it's not specifically in here, it's any beverage that's served at a restaurant that would have this 1 percent; is that correct?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, is this - would this put Connecticut at a higher rate than the restaurant or tax you would have if you went to a restaurant in Massachusetts or the tax you would have if you went to a restaurant in Rhode Island, something of the like?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I don't have the tax rates of those particular states at my fingertips. It's certainly possible, but I don't have that
Thank you, Mr. Speaker. I think it certainly puts us up there. I know it makes us one of the highest taxes in all of New England on restaurants, food and beverage. And through you Mr. Speaker, this 1 percent would come to the state of Connecticut. It wouldn't go to the towns as previously proposed or to some regional entity. It would go directly to the state of Connecticut; is that correct?

Through you.

Thank you Mr. Speaker. That's correct.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker I see in the few sections that are coming next that we're raising the sales tax on a number of other items and through you Mr. Speaker. Are we raising taxes on parking in this budget?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, this is one of the exemptions that we did remove in the budget as we might remember, I don't know that there was anybody here that was in support of all of the other exemptions that were proposed in the Governor's proposed budget, but we certainly respect his interest in trying to broaden our sales tax base to bring them up to speed or to try to make better determinations about what's worthy of being tax exempt and what isn't and certainly parking is one of those that we decided the sales tax can apply to.
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Was there any policy decision as reason why it would be charging us on parking now when we did not previously?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I think we're looking at items that are often discretionary or within control of the consumer to choose to do or not and this is one of those that we chose to move forward with.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So if you had to go to
work every single day and you wanted to work in say, the beautiful city of Hartford, often times those jobs require you to buy parking as part of your job. You have to park your car somewhere if you were to commute into the city and through you Mr. Speaker, would that commuter who has to park their car somewhere when they go to work; would they be charged the new sales tax?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. Employer offered parking is exempt from the tax. If they're parking on a city street, they would be subject to the tax.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But it would also be like if you, say you worked at I don't know, Webster
Bank right here in the center of the city and you took a job there. You had to park somewhere. The closest parking garage is across the street at the XL Center and you had to park in there every day 'cause you wanted to be close to the place that you worked and you're paid for by the employee a monthly rate that most likely they would go into an agreement at a monthly rate and pay for that themselves. It's not employer provided but instead it's paid for by the employee to be able to work in that position.

Through you Mr. Speaker. Would that individual have to pay a higher sales tax?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, I believe it would. I mean I have to question exactly what the impact is going to be on the state given that the revenue -- the projected revenue estimates are $1.8 and $3.7 million, so I think it's far more limited
than I think is being intended to pretend.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

I'm -- thank you Mr. Speaker. I'm certainly not pretending anything to be overdone. I think any little bit counts that someone's going to be losing out of their pocket and as we'll discuss at length through all of these examples, it seems like they'll be losing a little bit and a little bit more which in my book adds up to a lot more at the end of the day. Through you Mr. Speaker. Would this count on -- would this sales tax increase on parking, would this be on parking meters, coin operated ones, ones on the side of the road or this is limited to only like parking garages or parking lots so you pay like a flat fee to park in?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker. It would apply to meters as well.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And are like municipal meters exempt or is it all parking meters across the state which would now have to collect this tax?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It -- it excludes municipal -- municipally operated railroad parking facilities but it would otherwise apply to municipal parking too.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. So I'm not -- I mean I'm not an expert on this kind of thing but do these meters collect pennies, nickels, dimes, quarters, Sacagawea dollar coins? I mean how do they -- how are they collecting the money and how would increasing it -- say it's a dollar, it would go up to $1.06, how would they collect that? I guess they would collect $1.07 at that point, but how would they go about doing that?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. Certainly I'm sure there are still operating parking meters but increasingly what we're seeing is they're all moving to credit card based systems. My sense is that if there's a parking operator that operates a parking lot they might increase the cost to park in their -- that particular parking lot to cover the cost of the
sales tax.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see that we're also raising the sales tax in this budget on dry cleaning services and laundry services, but we're explicitly excluding the coin-operated laundry services; is that correct? Thank you, Mr. Speaker.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And through you Mr. Speaker. So we're exempting the coin-operated laundry but we're not exempting the coin-operated parking; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

That's correct.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Now what happens if you had a laundromat that had the ability to -- you could either pay by credit card or you could pay by coin on the -- on the washing machine. I believe I've seen these before where you know there's either swipe -- it's similar to like if you went out here and you went down to go to one of the vending machines right across the hall here. They have the option of you can either swipe your credit card or you can put in coins and put in dollars. Would the sale tax be collected if someone were to swipe their credit card to do their laundry but not be collected if they were to put in the quarters into the same -- very same machine for the very same activity?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. I believe they would not have to pay the tax on that.

Through you.

REP. GODFREY (11TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But the credit card, if they were to do it by credit card there would the sales tax applied; is that not correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

I don't operate a commercial laundry facility. I don't know exactly. If it's a coin -- if the machine accepts coins and credit cards my presumption is that the sales tax would not apply.
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, would this also apply to someone who perhaps doesn't have a washing machine, doesn't have a dryer in their apartment and they bring their clothes down to laundromat and they provided to the laundry service to process them, wash them, and you know give them back to them folded, you know cleaned or whatever. The sales tax would apply to that; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. If they define that particular service as dry cleaning it would. If they don't, it would not.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But I believe it's dry cleaning and laundry services. So it's any laundry service. So like if you don't have a washing machine and dryer in your apartment, you need to go to the laundromat to do it, you don't use one of the coin-operated machines, self-service machines. You instead you know give the bag over to the laundry service provider and they do the laundry and they give it back to you. That would be -- the sales tax would be applied to that; is that not correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

That is correct.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Mr. Speaker, when I had my daughter a few years ago we chose to use disposal diapers, one that you purchase and use them once and they throw them away. Mr. Speaker, those who choose to use cloth diapers, ones that require laundry services to clean them; Mr. Speaker, would someone who needs to clean their diapers through a laundry service, would they have to pay a higher sales tax under this proposal?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. If it's laundry that's being done then yes. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, if an individual had to do dry cleaning because they wear a uniform for their work. I think of maybe a police officer, a firefighter that has a big event coming
up and they need to have a nice, clean suit. Maybe a member of the military that serves in the Reserves and National Guard and has to do their own laundry to do it. Mr. Speaker, would they be charged a higher sales tax under this proposal?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Often those same -- those very same people are offered an allowance to take care of laundering their uniforms but yes, ultimately like me they would have to pay a sale tax on dry cleaning.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I see that we're also removing the sales tax exemption on interior design services and through you Mr. Speaker; is this stand alone interior design services or is this interior
design services that possibly included within an architectural firm or something along those lines?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. These are interior design services alone.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And why would we choose of all the services in the state of Connecticut, in all the ones that were proposed by the Governor to have the sales tax; why are we leaving the sales tax on -- increase on interior design providers?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker. We consider this to be a discretionary item. A person can choose to get interior design services or not therefore we chose to remove the exemption.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. There's a lot of discretionary things that we do every single day that are taxed or not taxed. We choose to buy certain amounts of food. We choose to do certain things and those aren't taxed but this would be taxed because it's a discretionary item; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. I don't know if
Representative Davis is suggesting that we increase more taxes and remove more exemptions. We're trying to be a bit more limited in the approach we are taking. I continue to hear that perhaps we should look into more exemptions than lifting them.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Oh Mr. Speaker, certainly not proposing that. Mr. Speaker, interior design services it's my understanding in just the brief looking it up online really quickly this is a service primarily provided by women, women-owned businesses. The Interior Design Society of America is I think 89 percent women membership. Interior Design International Interior Design is 80 percent women-owned business and women interior designers. Mr. Speaker this tax increase specifically targets a service provided by women-owned businesses primarily. Largely women-owned businesses that provide this service to the
men and women of the state of Connecticut. We are specifically targeting them and saying that a sales tax will be placed upon their services to do business in Connecticut and I'm puzzled as to why we're doing that as the kind gentleman of Finance had mentioned it's just that that's what they felt like doing. There was no real reason for it. They felt it was a discretionary expense. But Connecticut has one of the highest concentrations of interior designers in the country. It's my understanding we're in the top five of interior designers. So there's a lot of people employed here in the state of Connecticut as interior designers and now we'd be taxing them and primarily overwhelmingly they are women that will now have their services taxed at a higher rate.

Mr. Speaker I see in sections 327 through 328 we're changing the nexus thresholds for the sales tax to be collected by out of state retailers that do business within the state. Through you Mr. Speaker. What are we doing in -- in this section of
the Bill in regards to the nexus threshold?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. We're lowering the threshold from 250,000 to 100,000 so that it's consistent with 26 other states that have lowered their threshold to $100,000 in the wake of the Wayfair Decision.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And how much revenue is expected to be generated by lowering this threshold?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

$3.5 million over the biennium.
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And was that threshold just changed just only a couple of years ago; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, the Wayfair Decision just happened recently as well.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see we're changing the solicitation requirements within this Bill as far as those online retailers go. Can the kind gentleman explain that change as well? Thank
you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. If he could point me to a line number, that would be greatly appreciated. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I am trying to find it now. Obviously, this is a very large budget. Mr. Speaker I'm -- I'm having a little bit of difficulty in -- in finding that section of the Bill so I'm more than happy to move on only because the write-up of the Bill includes it, but I cannot find the specific line item. So Mr. Speaker I'll move on for the time being until we can try to track it down or perhaps in the fury of getting things together there was things included in the Table of Contents or in the OLR Report that aren't actually included in the
Bill or something to the similar.

Mr. Speaker in sections 329 to 330 we’re changing how short-term home rental platforms are collecting the tax; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct. We're applying the same standards that we do, albeit a little bit higher, that we do to online retail sales.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Is it -- are they supposed to be collecting the sales tax on these transactions or the hotel tax?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The sales tax.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Through you Mr. Speaker. And currently is the tax bill due on these services -- or on this item? Like you know somebody rents out their house through say an Air B&B website and is the owner of that property currently supposed to remit the sales tax and they most likely are not, or is this a new sales tax that will be implemented on the platform itself through Air B&B?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

There are some states that had stand-alone agreements with Air B&B but this would now apply to
any of the providers whether it's VRBO, Booking, Home Stay or any of those providers.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So would the owner have to still also give a tax for the item that they're renting? The room, the house, the apartment, or would this be the tax that's collected like the -- the online platform that would be collecting a tax on their behalf essentially at this point?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. This would be the online person who would have to remit the tax or entity.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. So the individual homeowner would no longer be responsible for remitting the tax? It would be the platform that collects the money that would be remitting the tax; is that correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

That is correct. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I see in section 331 it discusses the engagement and the research of certified service providers for I assume online sales taxes. What are we doing in this section of the Bill?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. We're empowering the administration to engage these certified service providers to see if they can help assist some of our smaller retailers with being able to collect it sales tax because there's some predictions out there that even in the wake of the Wayfair Decision there's still approximately $75 million in sales taxes that are not being collected.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And would this require the adoption of Connecticut into the multi-state agreement for streamline sales tax in order to implement what they're studying here?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And this would just require that they reach out, they do like an RFP for these certified service providers or would they be able to select certain ones? How -- what would be the process here?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. For now it is requiring the administration to do some more investigative report to see exactly what might viable for the state of Connecticut to engage a certified service provider in the collection of these taxes with small businesses.

Through you.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Is there any revenue within the budget associated with the implementation of one of these certified service providers as contemplated in this section?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, $30 million in the second year.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it would be $30 million in the second year to balance the budget as we pass it now but we ultimately may go out and learn about this subject as we have looked at in the
past? In fact we even contemplated looking at it and the Finance Committee this year chose not to move forward with it. We are counting on $30 million in revenue in the second year for this proposal even though it's something that we've looked like in the past and decided not to move forward with; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. This number like any number in the budget is an estimate and that's why we have a second year. If we need to make adjustments we will do so accordingly.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. How much of a surplus is in the second year of the budget?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Let me look among all of my papers. Did he ask about the second year of the biennium, Mr. Speaker?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Yes, what's the surplus in the second year of the biennium as proposed in this budget? Through you.

REP. ROJAS (9TH):

Well we expect the Rainy Day Fund to be funded at $2.9 billion, budget surplus of $151 million.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, in
section 333 of the budget there is a reduction in the credit provided to passthrough entities, also known as affected business entities; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, that's correct.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And if the kind gentleman could explain what's going in this section of the Bill?

SPEAKER PRO TEMPORE GODFREY (110TH):

Through you Mr. Speaker. If you'll remember the state of Connecticut passed a new law that would allow folks who previous business -- members or partners in a business who previously used to pay all of their business income through their income tax, hence the word passthrough; instead they'll be taxed at the entity level because in the wake of
Federal tax reform the Federal Government allowed that businesses could deduct all of their taxes but individuals could not so we passed a Bill that would allow them to pay their taxes at the entity level therefore allowing their adjustable income to be lowered at the federal level, which factored into their state AGI which resulted in approximately between $200 and $300 million savings through those passthrough entities. In order to keep them whole because essentially, they were paying taxes twice; once on their business income and then again on their personal income, we allowed a credit of 93.1 percent to be taken against their passthrough entity tax so that we could keep them whole. What we're doing here is reducing that tax from 93.01 to 87.5.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And this applies to all income levels, correct? This reduction and
credit. It's not a, I guess progressive reduction if you will, if you can think of such a thing. It's a -- it's across all income earners that are passthrough entities, that their credit would be reduced; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, that is correct. It would apply to income levels -- income earners at all levels but based on data that we have from the Federal Government, approximately 80 percent of the revenue would be paid for by entities that have more than $500,000 a year in income and 63 percent would be paid by entities that have more than a million dollars in income per year.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. But this would impact someone making $50,000 a year as a passthrough entity just the same -- the same level of credit reduction as someone making $500,000 or a million as the kind gentleman had mentioned; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. In the $50,000 example the person would likely be paying about $170 extra a year and the person who was making a million dollars would be paying $3800 extra a year.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I know as someone who used to make $50,000 a year, 200 bucks makes a big difference. That could be a car payment for the month. That could be your grocery bill for a week
or two. That could be your student loan payment or one of many student loan payments that now you're not going to be able to make because you have to pay more in taxes to the state of Connecticut, or you'll at least have to find a new way to pay for things if this credit gets reduced.

Mr. Speaker, does this cause you to pay higher income taxes at the end of the day? If this credit is reduced, would you be paying higher income taxes to the state of Connecticut as a small business, medium business or large business that is a passthrough?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you, before I answer. I would suggest that all of this about raising revenue for important services that are important to the people paying these taxes. So as much as I appreciate the concern about a business having to pay an extra tax, it's likely that person has a child who would like
education. That -- it's likely that person has a child who's going to college and is worried about tuition increases. So if we can't fund education, we can't fund higher education. If we can't fund nursing homes; you put it in that context, I wonder if the person would be as concerned about paying this tax versus having to make some kind of drastic cut in something else important to them.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. If I'm not mistaken I believe states that have no income taxes at all provide those same services, similar services, many different services so to somehow say that because you're paying a little bit extra more that you should just accept it because we provide services to you I think is kind of a false argument to make.

Mr. Speaker, do we have any idea how many tax filers are filing under the Passthrough Entity Tax?
It was just implemented last year. We just put into effect. Those individuals were supposed to pay their taxes by March. A number of them did an extension. Do we have any idea how many tax filers this change will impact?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Based on information I got from the Department of Revenue Services, approximately 105,000.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative

REP. DAVIS (57TH):

Through you Mr. Speaker. And of those 105,000 businesses how many individual income tax earners would now have to pay a higher incomes tax under this proposal?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I don't have that information.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Certainly a lot of these passthrough entities are one-member groups. There's no question about it, one person that is a landscaper. One person who maybe wants to hang up their own shingle as an attorney. One person that wants to do their own thing as maybe an interior designer. But there's otherwise that have multiple members in those LOCs, those LLPs by definition, partnerships that would have to be paying higher taxes so I would venture to guess it's into the hundreds of thousands if not more than that that would be paying higher income taxes. And these are the very individuals that employee people here in
the state. You might own an LLC as a passthrough yourself but you might employ other people. You might employ your neighbor, your friend, your family member, someone who is going to be benefiting from your hard work and your business and now we'd be raising the tax on that small business owner, that medium-size business owner that does things as a passthrough entity here in the state of Connecticut. And I know that it doesn't seem like a lot of money but to someone that doesn't make a lot of money, every little bit counts. And to take and take and take from someone who is trying to be an entrepreneur and provide a service in their community, someone who is trying to employee people here in the state of Connecticut and to do so a year after we passed something that, to the kind gentleman's point may have benefited them. To make it a little bit easier to operate here in the state of Connecticut. To maybe encourage someone to stay here in Connecticut and to operate a business here in Connecticut. To then go back a few short months
later and say yeah, thank you. We told you it's going to be a wash. Don't you worry about it. You're going to be paying the same amount and to only a few weeks later then come back and say, you know what? Actually, we are going to raise your income taxes, never mind. We mislead you. Maybe you shouldn't have stayed if you thought you were going to be paying the same tax.

Mr. Speaker I see in section 335 of the Bill that we are extending the restrictions that have been placed on the property tax credit; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. What is we're doing is extending the law that we passed in the biennium budget?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But if we were not to pass this budget here today as drafted, if this section was not in that budget, would the property tax credit be allowed for everyone who previously qualified before this current biennium budget, if that makes sense?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas, does that make sense?

REP. ROJAS (9TH):

Through you Mr. Speaker. We're simply maintaining the same law that Representative Davis voted on.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. In fact that's not true 'cause that very same law that I voted on did
it for two years and then said it would go -- revert back to the way that it was, that more people would have access to that property tax credit in fiscal year 20; is that not correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The property tax was supposed to be expanded beginning this next fiscal year.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So again, it's not that large of amount of money. I understand that -- that. But couple it with everything else we've just discussed and the things that we're going to discuss in the future it could be hundreds of dollars that an individual here in Connecticut might have got as
a tax break. Might have been able to save a little bit of money living here in Connecticut, but now under this proposal would not have because they would be restricted back to being, I believe 62 and older or having a dependent. Those would be the only people that would qualify for the property tax credit.

Mr. Speaker, I see in this section and I guess I'll jump ahead to another section too because it deals with this, is what's been called a Mansion's Tax, the increase on the Conveyance Tax for homes that are valued or sold, should I say not even valued but sold at $2.5 million gross sales price; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. And this would a 1 percent increase on that Conveyance Tax for those homeowners; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It would be 2.25 percent Conveyance Tax on the value above $2.5 million.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Now does this take into account whether or not someone actually is taking home money? I'm a practicing realtor. There is often times when a seller comes to a sale, especially one who bought prior -- just prior to the Great Recession, that they bought their home at a
certain price. They're selling it now because they have to. Often times they don't want to. Maybe -- maybe they're downsizing, maybe their kids moved out. So now they're selling this house and they're actually losing money, sometimes losing quite a bit of money based on whatever they paid or whatever improvements they put in the house and now they're selling it because the real estate market has not improved in Connecticut. Through you Mr. Speaker. Even if they are a $2.5 million and more house, does this take into account whether individual is making any money off of the sale? Is it off of the gross sales price or is off of the net to the seller?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

My understanding is that if the debt exceeds the value of the home they would be exempt from the Conveyance Tax.

Through you.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Mr. Speaker, is that limited to just this Conveyance or is this for the entirety of the Conveyance Tax?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

My understanding it's for the entirety of the Conveyance Act.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

So this would only apply to those homes that have no debt associated with them; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

No, through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Is that section where it says that if you're -- if you own more than -- than what you're selling it for, is that included in this budget or is that something that's in some other statute somewhere else?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I'm reading the exemption list which is included on here to see if it's listed in here. Through you Mr. Speaker. It's not listed in the language here.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.
Thank you, Mr. Speaker. So is the Chairman certain that if you owe -- if you bought a house for say $600 or $6 million and you go to sell it now for $3 million that you would not be paying this Mansion's Tax because you'd be losing money on that sale?

Through you Mr. Speaker.

Representative Rojas.

Through you Mr. Speaker. I want to clarify the last response. It is included in subsection 20 of that section, lines 13-367 through 13-373.

Through you.

Representative Davis.

Thank you, Mr. Speaker. Is that limited to just debt? So if they had like a mortgage on it or is it if they had paid off the mortgage and they
still owed money that they would now be paying more?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you. The way the language reads is if the gross purchase price is insufficient to pay the sum of the mortgage on the property or any property taxes or utility.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So if somebody had, and I was just reading that section of the Bill, and you are correct it doesn't make a change to that although it is included in the Bill. Mr. Speaker does this also count if you -- say you bought that house for like I said, it could be any amount I don't know, $5 million. You sell it for $3 million. Maybe you paid off $2 million of it or you put down
your 20 percent down payment, which would be a million bucks on that $5 million home. Your value is now less than that. Maybe you paid off some of our mortgage. You're still losing money in the sale but it doesn't exceed your mortgage amount, you would still be taxed at additional rate; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. If the sale price is $2.5 million and above, yes. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I suspect that that will often be the case in a lot of these homes, that people will be losing money when they're making these sales because the real estate market in Fairfield County especially where a higher
concentration of these higher priced homes are, many of these people's values have not recovered in the Great Recession. In fact they remain at very, very low numbers compared to what they paid for these properties. This is nearly 11 years after the Recession began. So they'll be paying a higher tax to sell their home in Connecticut. And through you Mr. Speaker, there's a section of the bill that deals with the credit that they would be receiving back. I think it's in section 335. And through you Mr. Speaker. Would the kind gentleman explain how that credit would work. How would you regain or be credited back the amount of this additional Conveyance Tax that you paid?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Two income years after which you pay the Conveyance Tax you would then be able to deduct 33.13 percent -- 33 percent
off of your personal income taxes for three years and if you don't have any liability in those first three years you'd be able to carry it forward for three additional years.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So if you sell your home and you move out of the state you'd be paying this higher Conveyance Tax but if you sell your home and you remain in the state; say you're downsizing, something of the like, you would not -- or you'd be able to be eligible for this credit back; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

So long as you have income tax liability here in the state of Connecticut, you'd be able to deduct
the value of that Conveyance Tax in thirds through your personal income tax.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And what happens if circumstances come up and you need to move out of the state in the second year? Do you get clawed back that credit that you received for the first year or are you -- there is no clawback? What -- how would that work?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

There's no clawback. You would get credit for the time that you were here in Connecticut.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, I see in sections 338 to 339 we are sunsetting the Business Entity Tax; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But then I see in sections 354 through 346 that we're increasing the filing fees for those businesses; is that correct?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.
Representative Davis.

REP. DAVIS (57TH):

So Mr. Speaker, the Passthrough Entity Tax should be eliminated but some of the cost, that tax would be recouped by raising that filing fee; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Perhaps I just need a correction. I think we're eliminating the Passthrough Entity Tax, which we are not.

REP. DAVIS (57TH):

Oh sorry. The Business Entity Tax. I wish we --

REP. ROJAS (9TH):

Got it, okay.

REP. DAVIS (57TH):

Thank you.

REP. ROJAS (9TH):
Yes. In trying to strike a balance and trying to get to a balanced budget, that is correct. I believe, I haven't done all the numbers myself but they would net out to the positive over the long term.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But it's quite clear that yes, they're eliminating that Business Entity Tax, that $250 every other year now tax on a business but every single year their filing fees would go up. So yes, they might net a small amount but it's not a full elimination of that cost to the state. Essentially we're eliminating a tax over here, but raising fees over here to recoup a significant portion of that tax revenue that would be lost with the elimination of the Business Entity Tax.

Through you Mr. Speaker. In section 349 of the
Bill we're capping the R&D Tax Credits and ERA Tax Credit at a lower amount than what would happen if we weren't to pass this budget; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And what kind of businesses are impacted by these types of tax credits?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Companies that are doing research, research and development and research and experiment as well.
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Through you Mr. Speaker. So this would like advanced manufacturers that are coming up with new ways to do manufacturing like a Pratt and Whitney or Sikorsky or Electric Boat. Maybe it would a bioscience company that is trying to come up with a new way of doing something in the medical field or the pharmaceutical field and they're -- they would be able to take advantage of these R&D Tax Credits; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. And this budget before us would reduce that -- the amount that they can apply for their tax liability so in a sense these companies that are trying to invest in Connecticut, trying to do research, do development, increase the number of employees to do those things here in Connecticut that they would be paying a higher tax to the state of Connecticut under this reduction in the credit; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

REP. DAVIS (57TH):

Mr. Speaker, if I may? Mr. Speaker, how much revenue is projected to be created from reducing these credits? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. $34 million in the first year, $21 in the second.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. That is money that these companies may invest in Connecticut that now they may not. That money coming into the state of Connecticut as revenue that can't use these credits that we've encouraged them to create, that they've earned, that they did these things to earn these tax credits and now that's tens of millions of dollars that those companies will no longer have available to them to invest in their workforce, to invest in additional R&D, to invest in hiring new people, to invest in growing in Connecticut, maybe building a new facility. Tens of millions of dollars taken out of our economy by some of our largest employers in the state and then sent to the state of Connecticut as tax revenue. Money that will not be allowed to
be used or cannot be used to expand our economy and grow our economy.

Mr. Speaker, there is a new tax to be placed on E-cigarettes. Would the kind gentleman be able to explain to us in sections -- section 351 how that new tax would be implemented.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. What we put into the budget here is the bifurcated system for taxation. Taxation of E-cigarettes and vaping is a fairly new public policy issue that a lot of states are grappling with. I think some states are coming out with one form of taxation and realizing perhaps it's not resulting in the best outcome for small business owners or they're not resulting in the kind of revenue that they're generating. So I sat down with proponents on both sides of the issue believe or not, and it comes down between the closed systems,
which is your JUUL and the open systems, which is the kind of vape liquid that you can buy at a vape shop and we came up with a plan that would apply a 10 percent wholesale tax on the open systems and a 40 cent per milliliter on the closed systems.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And the closed systems that would be what most people, maybe I think the biggest brand name is like a dual system; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Yes, the systems have become epidemic among our youth.

Through you.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And good thing we passed that law raising the limit to 21 to try to prevent those youths from getting access to them. But the open system, how does that work? How does someone purchase E-cigarette materials in an open system?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Not an expert on it but you go to a vape shop and there are different components to the device itself and then you buy liquid that goes into the device.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. And under the language of the Bill, is it only the liquid that would be taxed or is it the actual devices that would also be taxed under the proposed tax system in this Bill?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, both.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So right now if you were to buy an E-cigarette you'd be paying the sales tax on those items; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker, that's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

And on this proposal, you'd be paying the sales tax and this new Excise Tax; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

REP. DAVIS (57TH):

Thank you, Senator. And if then you were to have one of these devices, one that is used for the open device system I guess, you'd be paying that sales tax the first time you buy it but you'd also have to pay this wholesale tax on this actual device, this tangible good? Not necessarily the liquid but the actual device? You'd be paying the sales tax and the tax on this item?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

That's correct. Through you.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Why -- why did we do that? Why did we under this proposed legislation, why would we tax the device that wholesale tax as well?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. As part of the negotiations there were some parties at the table who felt we should apply the wholesale tax to the devices as well.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So I understand the sales tax is collected at the point of sale. Where
would -- where would this new wholesale tax be collected?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Buy the seller.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it would be by the merchant that purchases these items from the wholesaler? They would be the one who pays this first sale tax?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

That is correct.

Through you.
Representative Davis.

Thank you, Mr. Speaker. And that's if they sell that material at the end at all or anything, it's just if they buy this they're paying this wholesale tax whether they end up selling that product to a consumer or if something happens; it gets damaged or outdated and they -- they don't end up selling it, they would still pay that tax at the wholesale level; is that correct?

Through you Mr. Speaker.

Representative Rojas.

Through you Mr. Speaker. Like other businesses that pay wholesale tax, that's correct.

Representative Davis.

Thank you, Mr. Speaker. And under this Bill
here before us, would there be what they commonly call I guess like a floor tax? Would every device that's out there on the shelves today, would every ounce of the E-cigarette vapor products, the liquids, would those -- would there be a floor tax on that for all of the retailers across the state?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I don't believe so, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So there -- would there be a way of knowing when those merchants purchased this item to put on the shelves? Like could they stock up now and avoid paying this tax? Or is it something that they would have to keep track of, of how much they had now and how they're
purchasing in the future and figure out whether the
taxes apply, whether they have to pass that on to
the consumer or not?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It will -- they won't
be -- they won't begin reporting their data until
after October 1.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So that's a good
Segway into the next sections of the Bill, sections
352 to 355 which deals with the Alcohol Excise Tax
and through you Mr. Speaker. What is the tax
increase included on alcohol in this budget?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, 10 percent.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And that's on all alcoholic beverages? Wine, liquor, beer and the like?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Much to my chagrin, even on bourbon. Through you. (Laughing)

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I think I share his chagrin on that item as well. So Mr. Speaker is this tax -- this is on the retailer that would pay
this tax from the wholesaler similar to the E-cigarette tax; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But in this case which is different than what we're doing with the E-cigarette tax, we're calling for a floor tax that every alcoholic beverage retailer in the state would have to take an inventory of what they have on their shelves today whether they be a packing store or a supermarket or even a restaurant that has this liquor sitting on their bar shelf. They would have to account for that. Report that to the Department of Revenue Services by a certain date and then remit 10 percent tax on something that they've already
purchased perhaps a long time ago; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. With this excise tax increase, how does this put us in line with the level of taxation with our neighbors like Massachusetts or Rhode Island?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Based on individuals I've talked to in the hallway who represent the interest of the alcohol retailers they say it would make us a little bit higher than Massachusetts and
Rhode Island.

Through you.

REP. GODFREY (11TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. There's question and it's happening and it happens today under the current tax team and I supposed it will continue to happen if not happen more because of this tax increase where individuals, sometimes that people that work on the border, sometimes people are from far in the interior of the state, travel to other states to purchase their alcohol and then return to the state with it, and they purchase it in other states because it's much cheaper. In fact I believe Yankee Spirits, a very popular store in the Sturbridge area, not too far from where I live, they take out billboards that say, come to Yankee Spirits, we don't have an excise tax on our alcohol. We're much cheaper than Connecticut. Drive up here and buy your alcohol up here. What often happens,
and I saw it when I worked in Enfield where employees would cross the border. They would buy their alcohol over that border. They would buy their cigarettes because their taxes were cheaper across that border. They would often times buy their lottery tickets across the border because it's all done in one shop or similar shops. And each one of those purchases is not taking place to a Connecticut retailer because of a decision made by that consumer to go somewhere where there's less taxes, where it's cheaper for them to purchase something. So not only did we lose the sale on that alcoholic beverage but we also lost a sale on those cigarettes. We lost a sale on the pack of Slim Jim or Mountain Dew that they purchased. We lost all of that because of the tax policy of the state of Connecticut and the proof is in the fact that these businesses across the border take out billboards and advertisements saying, come to us, we're cheaper. And we're cheaper not necessarily because the product, we're cheaper because the taxes are
cheaper. This happens unfortunately probably on a daily basis. Connecticut retailers are hurt day in and day out because of the tax policy with the state of Connecticut.

Mr. Speaker, in Section 355 of the Bill there is a new fee to be imposed on plastic bags. Through you Mr. Speaker. What type of plastic bags would have this type of fee?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas. Representative Rojas. Representative Rojas, we're trying to put together a megaphone.

REP. ROJAS (9TH):

Through you Mr. Speaker. Single use checkout bag.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see it's a thickness of less than 4 mills. I'm not too
familiar with the thickness of plastic bags. Is there -- are there plastic bags available at checkouts that are large -- that are thicker than 4 mills?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

I think there is the potential for thicker bags. I think this 4 mill bag is often the cheapest to produce and that's why it's used more frequently.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So would this include plastic bags that -- like the -- like a garbage bag or something of that similar or is it not that because of the thickness of the bag? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

I remember from the Finance Committee Meeting that you carry milk in. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. If the kind gentleman would remember I do it with a paper and plastic to carry my milk. (Laughing) Mr. Speaker, this plastic bag it wouldn't be a bag provided to contain meat, seafood, loose produce or other unwrapped food items. Is this limited to like at the produce counter or produce section of the store you have those plastic bags that you can pull and put your corn or potatoes in; is that what this is intending to encompass?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. No, those bags are exempt. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. In reading this it just says a bag provided to the individual. So for instance I'm asked by my wife, we're having people over, she wants to make, I don't know guacamole. And she says you know what? Oh my goodness, I forgot the avocados. So now I go down to the grocery store. I get two or three avocados, maybe a grab a couple of limes. Maybe I just grab one of those baskets. You know those little hand baskets that you can grab as soon as you walk through the door, Mr. Speaker? I grab one of those. I go to the produce section. I fill that basket with those few avocados and that lime, maybe some lemons. Mr. Speaker, with this definition when I go to the counter and I put those lemons and avocados and limes and I put them onto the conveyer belt, they
have never touched a plastic bag in the store. I go to get them. They are loose produce as they process their way through that checkout line. Mr. Speaker, would I be charged a 10 cent fee on a plastic bag for that loose produce?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, yes.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But if I just went back to that produce section and I grabbed that plastic bag that I can pull out and I loaded it up with those items, put it on the conveyer belt and I said, stop. Do not give me that plastic bag, I already have one. I would not be charged that 10 cents; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

REP. GODFREY (11TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. If I were to go say Subway, order a sandwich, get that sandwich, they have those kind of neat plastic bags that are a little bit long to hold your sandwich in it, the sandwich itself is wrapped so it's no longer an unwrapped food item. Would I be charged a 10 cent fee for that plastic bag at Subway?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. Why is that? Why would I not be charged for that plastic bag for a wrapped food item?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. My sense is that the proponents of banning these bags are trying to take kind of a gradual approach to this issue. Perhaps in the future, and it sounds like Representative Davis might be in support in this, we might charge 10 cents on those bags as well.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I like his inference that I somehow by asking if something would be taxed that I somehow believe it should be taxed, and quite opposite in many cases. Mr. Speaker, if I were to
go to the single use checkout and get a -- and get a bag, maybe I had something heavy. Maybe I don't know, my daughter's got a birthday party. I'm going down to the store, I'm getting some ice-cream, getting a few half gallons. Maybe I get the strawberry ice-cream, maybe I get a half gallon of chocolate ice-cream, maybe I get a half gallon of I don't know, vanilla. If I go through that checkout and I need to get multiple bags, if I need to have maybe two, maybe three bags to carry this amount of ice-cream for the kids party would I be paying 10 cents or would I be paying 10 cents on every single bag?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. You would be paying 10 cents on each bag.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And if I wanted to then, instead I said you know what? Don't give me that plastic bag, I'd like to use that paper bag. I know I have a wonderful family-owned grocery store chain in my neck of the woods. It's called Geissler's. In fact, that's where I started my first job getting paid minimum wage working at that Geissler's Supermarket. They have these wonderful paper bags. These paper bags come with little handles built into them. Often times you don't need the plastic bag because you have these wonderful paper bags with the little handles on them. I think it's one of the reason I think why people shop there with this little novelty item. Mr. Speaker, under this Bill would that paper bag be taxed or only if plastic bag is involved?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker. Paper -- paper bags are exempt. Through you.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Now if I were to take that paper bag and place it into a plastic bag, that plastic bag would be taxed but the paper bag would not be; is that correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, Mr. Speaker. Mr. Speaker is I wanted to go to for instance, a wonderful comic shop, perhaps one down in the North Haven area of the state of Connecticut. If I wanted to purchase a bunch of comic books, maybe some trading cards from this wonderful establishment and I wanted to check out but I found that I can't carry all of them on my own, I need a bag. They offer me a plastic bag.
Would I have to pay 10 cents at that store for the plastic bag or is it limited to just at grocery stores? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I don't believe so. I would love to -- I don't think so, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. ROJAS (9TH):

Any store. Through you Mr. Speaker. They would.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So every retailer in the state that offers a plastic bag to a consumer would be responsible for collecting the tax on these plastic bags; that's correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

That's correct. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And how would this be collected? Would I go through the line? I'm thinking of myself when I go shopping at Big Y in Ellington. I'm shopping. I put everything through. They bag my groceries sometimes because they're still that family-owned grocery store that has employed young people to bag groceries; give them that chance in life to -- to begin their working career. I'm not sure if they're going to anymore after minimum wage increases and the -- and the like but let's assume they do. Those people are bagging the groceries. Is someone keeping track of how many plastic bags that were given to me or are they somehow estimating in the beginning how many plastic bags I use and charging me a flat amount or something along those lines?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I'm sorry, I was distracted by some noise on my right. If you could repeat the question.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Will the people on Representative Rojas' right please keep their -- their voices down?

Representative Davis, would you be so kind as to repeat the question?

REP. DAVIS (57TH):

Certainly Mr. Speaker, I certainly wouldn't want to tell them to be quiet given their positions here in the legislature.

SPEAKER PRO TEMPORE GODFREY (110TH):

Exactly.

REP. DAVIS (57TH):

Mr. Speaker, how would this work? Would it be
I'm checking out, their putting all of my groceries, and I'll use the grocery example although it applies to any business that has plastic bags; they put all the groceries down on the conveyer belt. Someone bags them. They put them in bags. They put them in my cart or I bag them myself if I don't have the -- if I'm not at a nice store that offers that service. Mr. Speaker, whose keeping track of how many bags I use and how would they be applied at the end of the transaction?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The cashier presumably would track the number of bags he was using. It would be noted on your receipt and you would have to report that data to the Department of Revenue Services.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And if I went to a self-checkout for instance. If I went to somewhere that offers a checkout that doesn't have a cashier present, one that you scan your items and you put them in your own bag. Through you Mr. Speaker. How would this tax be collected at that point?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Perhaps that's an opportunity for someone to not pay the bag unless there's a person there who is working there and monitoring those particular checkout stations.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Well say there's
somebody like myself who will go out of their way to make sure they pay it -- they pay that tax. Would they be required to have to -- would there be something on the screen that says how many bags you used, you click on that and you fill it out or would that be something where there would be -- you know usually they have this little management stand in this area that has somebody overseeing these self-checkouts. Would it be up to them? How would that work?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I presume all our retailers are going to have to adjust their systems to reflect this new change in policy and presumably on the self-checkout line there would be an opportunity to plug in and hopefully put are honest and put in how many bags they are using.

Through you.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. So after all of this change these businesses are going to have to update all of their computer systems. They're going to have to figure out a way to collect this cash. They're going to have to figure out a way to remit this tax. They're going to have to figure out a way to -- to I guess be audited about the number of bags that they actually sold and how they collected that tax. Mr. Speaker, does this Bill then ban the use of those plastic bags in 2021?

Through you Mr. Speaker.

REP. ROJAS (9TH):

Through you Mr. Speaker, yes July 1, 2021.

Through you.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. So after all of this change for these businesses, perhaps investment making the software changes. Perhaps they're changing the way that they do in general, these bags would just be ban two years later; is that correct?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes, the ultimately policy goal is to get these plastic bags out of our waterways, out of our dumps, in places where they don't biodegrade so we're trying to change behavior over the next two years and implement a full ban on them in 2021.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Moving on to the off-track betting sections of the Bill, 358 through 359.
Mr. Speaker, I see that there's revenue associated with these changes in the budget, and through you Mr. Speaker, what are these changes and how are they going to produce additional revenue for the state?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. This ensures that out of state operators are not taking bets from Connecticut residents and we hope that when we prevent that from happening that those individuals will then place bets within state operators.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, Mr. Speaker. Is that current law right now anyway? Are these off-track betting websites or out of state places, are they supposed to be taking bets or collecting bets from in-state residents now?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. My understanding is no, they're not supposed to.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So what in this Bill somehow provides that this is going to have some kind of effect that although it's already existing law they're not supposed to be taking these bets that they would now stop taking these bets?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. There's nothing certainly that guarantees they're going to stop doing so but we're certainly hoping by clarifying the law that a law-abiding citizen, they will do so.

Through you.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And it's my understanding there's only one off-track betting provider here in the state of Connecticut; correct? Is there only one licensee for that activity?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, yes.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Through you Mr. Speaker. And are they currently accepting online wagers through their website for off-track betting?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Thank you, Mr. Speaker. I'm not aware, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I believe they might be. I could be mistaken but I think as the only online -- licensed online off-track betting people, I believe they're able to accept bets online now. Mr. Speaker, this budget includes $2 million per year for greater collection of the bets. Now when I was in the Finance Committee earlier today, I asked the Office of Fiscal Analysis, how did they come up with this number. They said it's based on 3.5 percent of the bets coming to the state of Connecticut. So this would mean we would have to do I think $57 million more in off-track betting to generate this $2 million revenue to the state of Connecticut. But it's unclear within this language of this Bill how that would happen, why that would happen. People would all the sudden say, you know
what? I'm not going to go on the easy website, the Twin Spires like during the Kentucky Derby. I'm going to go, search, find, somehow get the ability to bet online through the one provider that apparently is not doing a very good job of promoting themselves as the only officially licenses online bet taker here in the state.

Mr. Speaker, I see that we're raising the fee on transportation network companies; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct. They're raising it by 5 cents.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So this is if you use Uber or Lyft or one of those similar type of apps to
get a ride service, is that who would end up paying these fees?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And how much revenue are we anticipating on generating by increasing this fee by 5 cents?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Approximately $9 million over the biennium.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. And this would apply to whether you're getting that ride from Uber or Lyft to go to the doctors or go to the grocery store if you don't have a car or something like that as well as somebody who is using it to go out on the town that night and wants to drive responsibility; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative DAVIS.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I see in the next Section 361 that the motor vehicle trade-in fee is going to be increased from $35 to $100. Mr. Speaker, what is the policy behind increasing that fee?

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. We saw that as an opportunity to raise revenue as opposed to the proposal to remove the sales tax exemption for trade-ins, which would have amounted to $60 million. Instead we decided to go with this one which had a far more limited impact.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So there wasn't any kind of actual cost associated with the state of Connecticut for these trade-ins that would require an additional amount and this fee; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Given that there's a
balanced budget there's a cost that this revenue is being applied to.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. But it -- if it's my understanding that the -- most of the other fees associated with cars go to the Special Transportation Fund. The registrations fees, if you were buying a new car part of your sales tax, although not as much as it's supposed to be but some of it will be going into the Special Transportation Fund. Out of that Special Transportation Fund over the many years, more and more of the costs to the Department of Motor Vehicles who would handle this type of transaction are done through that Special Transportation Fund and not go into the General Fund. So this increase in the fee placed on car dealers in the state of Connecticut but undoubtedly passed along whether they're supposed to or -- I'm
sure we'd find a way, to pass on this cost to the consumer whose trying to trade in their car and move up to their next car. This goes to the General Fund. I'm not sure if it's really paying for any of the costs incurred with that transaction or even the cost incurred with registering, maintaining or operating the roads in which this car will drive on.

Mr. Speaker, I see in Section 362-367 that we're going to be implementing iLottery here in the state of Connecticut. Through you Mr. Speaker, does this implement iLottery or does it only study the issue?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It -- it charges administration with looking into the feasibility of doing it.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

And -- and Mr. Speaker, is -- does it require that the look at it and then they report to the legislature and we vote on whether or not we want to do that or is that something that could be implemented under this authorization within this Bill by the Connecticut Lottery Corporation?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It requires the Governor to report to report back by February 5, 2020. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see that the money that may or may not be generated by this iLottery if it goes into effect, that if it does go
into effect that this money would be used to pay for grants to individuals to go to community college without having to pay tuition themselves; is that correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. If he could just repeat his question, I would appreciate it.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I see that if this iLottery were to be implemented that the revenue generated from it would go towards grant programs for individuals to attend community colleges here in the state of Connecticut without a tuition cost, that it would be a grant to them to go; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yeah, I think the most -- more accurate description is debt-free college. It is assumed that students would still be finding other sources of funding to pay for their higher education and I think the goal of the debt-free college is to try to fill that final gap that a student might have in trying to enroll in higher education.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So if you worked and you saved up money to attend community college, you would not have access to any of this money? If it's only if you wanted to go to community college and take out a student loan? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Not quite sure I understand the question. If he could repeat the question, please?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. The kind gentleman had said that this is kind of -- this is intended to make it so it's debt free, so that you don't have to go to community college and have debt and then it was implied that these grants would be given to students who would otherwise being taking on debt to go to this community college. So my question was, if you had the money, if you saved up the money to attend community college and you weren't intending to take out a student loan, would you have access to these grants or are these grants only going to be made available to those individuals that choose to take out a student loan to pay for community college?

Through you Mr. Speaker.
Representative Rojas.

Through you Mr. Speaker. I believe someone who has a lot more information about the proposal has entered the Chamber and could likely answer Representative Davis' questions.

And who Representative Rojas might that be?

The Chairman of the Higher Education Committee.

Through you.

Representative Davis, would you care to redirect your question to Representative Haddad -- Haddad?

Thank you, Mr. Speaker. To the kind gentleman from Mansfield. It was implied in a previous answer by the Chairman of the Finance Committee that this debt-free college proposal that's included in this,
that would be implemented if iLottery were to come on board. That if you were to pay for it out of your pocket, if you were to save up the money and pay for community college, you would have to do so because the intent of this is for debt-free community college. So if you were -- you'd only have access to these grants if you intended to have a student loan or some sort of debt to pay for it; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Haddad.

REP. HADDAD (54TH):

Thank you, Mr. Speaker. Mr. Speaker, to answer the question through you, the -- the financial aid grants -- awards that are provided in the debt-free college section for the -- are for all students for -- it would pay for the unpaid portion of a qualifying student's eligible institutional costs subtracting their already existing financial aid awards. And so this -- in this section of the
legislation would if -- when fully implemented will cover all of the -- the gap and financial aid award package which wouldn’t include student loans and the total cost of attendance including mandatory fees and tuition at a community college.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And if passed in this Bill here today, would this initiative have to come before the legislature again or would it go into effect if a iLottery is brought back to legislature and approved? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Haddad.

REP. HADDAD (54TH):

Through you Mr. Speaker. If iLottery is approved, as I understand it that money would be earmarked for this program. The Governor is given the responsibility of ensuring that that revenue
source is adequate. If that revenue source is not deemed to be adequate, he has agreed to take the responsibility of -- in his budget adjustments at the beginning of the next year to suggest an additional revenue source so the program can start in the fall of 2020.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I fear that this section of the Bill is yet another promise that may be unfulfilled. It's one that says, well if maybe perhaps if we do iLottery and they come back to legislature and we approve that this -- this program that I think a lot of people will probably be going around town saying we created this program to give debt-free community college, everybody gets to go to school for free, it's the most wonderful thing in the world. But that only happens if iLottery is created. So if iLottery is created then it has to
come back to the legislature to vote on. So although this information is included in the budget, there's no guarantee it will ever be implemented. There's no guarantee that we'll ever have this. In fact they might come back and say, we want to spend this iLottery money on something else. We don't want to spend it on debt-free college or on regionalism or giving money to regional entities to pay the towns as the rest of the money is supposed to go to.

Mr. Speaker, in section 368 of the budget OPM is tasked with reviewing all of the fees, license fees, permits in the state of Connecticut and suggesting that we raise those fees to generate no less than $50 million; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

This is to Representative Rojas?

REP. DAVIS (57TH):

Representative Rojas, perhaps.

REP. DAVIS (57TH):
Representative Rojas perhaps would be best.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. In years past I can remember this similar line item included in a budget for very similar purposes. Was done in the second year. Was going to make a little -- give a little bit of room and we'd have additional revenue to enable to spend on other things, create new programs to not look so bad in their costs? Mr. Speaker this type of fee increases as proposed here where OPM would come up with a plan and then submit it back to the legislature, has that been proposed before? And if so, has it been implemented?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It has been proposed in the past. My understanding is that it wasn’t acted on in previous attempts and we have assurances from the Administration that they will actually follow through this time.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it is the intent to raise licenses and fees to a tune of $50 million? Licenses for becoming a nurse and being a nurse or an occupational license to be a phlebotomist, you know an occupational license to be a realtor, an occupational license to be a financial planner, to do business here in the state of Connecticut. It is the intention of the legislature and the Governor to raise those costs to the tune of at least $50 million; is that correct?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It could be some of those. It could be none of those, but it's certainly possible.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. In Section 373 of the budget I see that there is a revenue transfer. I'm not sure where the revenue is coming from so I'll ask that, but there's a revenue transfer to the Family Medical Leave Trust Fund that was just recently created, or will be created if the Governor signs the Bill.

Through you Mr. Speaker. Where does this $5.1 million in revenue come from?

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. From the General Fund.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it could be from any source within the General Fund that this $5.1 million is being diverted and then spent on Family Medical Leave Trust Fund?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It will be coming from the Office of the Controller.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.
REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it sounds like from anywhere. Mr. Speaker, why are we transferring this $5.1 million? What would be the purpose of transferring this money?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. These funds will be used to assist with start-up costs associated with implementing the Family Medical Leave Insurance Program.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Now I'm curious as to why there isn't a line item within the Appropriations side of the budget to do this, this $5.1 million. Is there an issue with spending an
additional $5 million on an ongoing program for us to be able to get under the spending cap?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I don't know the answer to that question. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. It's my understanding that we're only about $200,000 under the spending cap under this proposed budget. This transfer of over $5 million from potentially the General Fund into the Family Medical Leave Trust Act or Trust Fund to then be used for the expenses, the operating expenses, the start-up expenses of this Paid Family Medical Leave Act. It's being done through a revenue transfer. It's not being done as an appropriation. In my opinion most likely as a way
to avoid going over the spending cap and to create a new program here in the state of Connecticut. It's allowing the state to spend additional $5 million on a brand-new program when otherwise it would be over the Constitutional spending cap that was overwhelmingly passed and put into the Constitution by this legislature just two years ago and passed by the people of Connecticut 25, almost 30 years ago.

Mr. Speaker, in Section 375 the Special Transportation Fund, the F Yield Bond Tax to be sourced from the Special Transportation Fund, that cap for this next fiscal year is being removed; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. And is there anything replacing that cap? Is it now -- is it going from the previous cap of $750 million, is it now capped at $850 million? Is it capped at $1 billion? Is there a new cap put into place?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Not that I'm aware of, no.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I find that quite curious. That cap was put into place to put on check so that we don't go insolvent. We knew that there was an issue with spending within the Special Transportation Fund. Too many costs. Too many operating costs have been put on the Special
Transportation Fund for too many years. Too many new programs like the Bus Way eating away at the costs within the Special Transportation Fund to the tune of tens of millions of dollars in new subsidies each year. We're now removing this cap and saying we can borrow more from the Special Transportation Fund, and I would only guess given that the Governor has asked that we come into special session to deal with tolls, that this cap might be removed so that they can borrow money on top of the necessary repairs and improvements that are necessary for the state of Connecticut, about $750 million worth, on top of that so that they can begin borrowing to start putting in tolls if this cap is removed and tolls are ultimately passed. It seems to me like this is not a wise decision for us to do. That we should be keeping ourselves in check. That we should perhaps be doing -- borrowing out of the General Obligations Bonds if this was the case. Not to put further strain on the Special Transportation Fund, but to do it responsibility under the caps
that are in place so that future generations don't have that additional cost.

Mr. Speaker, in Section 384 and 385, looking at 384, there is some language that are being amended for a company that participated in the First Five Plus Program; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And that company, do we know which specific company would be impacted by this change?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. It's certainly not identified in the language.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. My understanding even from the Table of Contents I received from LCO that it could be Cigna Healthcare that would be benefiting from this change; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That is certainly possible, yes.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And this would allow them to continue to receive the benefits that they
received under the First Five Plus Program one in which they met their obligations to the state, and that that program was set to expire for them, but this would extend that for them? They would continue to receive those benefits under this language of this Bill; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I just find it curious that when a company I guess may or may threaten to leave that now without a public hearing there's a new section of the budget that would benefit them.

Mr. Speaker, I see in the next section that there will be a payroll tax that commission that gets set up; is that correct?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see that this section of the Bill allows -- or requires that the Department of Revenue Services contact every single business in the state and require that that business fill out information about their payroll and then send that back to the Commissioner of Revenue Services; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I see that in that section it calls for this tax to be implemented on January 1, 2021; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It doesn't mandate the implementation. It certainly sets a goal for implementing that particular policy proposal by January 1, 2021.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Is there anything in - - in this section that requires it to be sent back to the state of Connecticut -- or to the General Assembly, this payroll tax? Of does it contemplate that this commission would be set up, they would
come up with this plan and then it would be implemented?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. It anticipates that the plan will come back to the Finance, Revenue and Bonding Committee for the next legislative session.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And what section of the Bill does it say that this plan would come back to the Finance, Revenue and Bonding Commission -- or Committee? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Lines 15-416 through
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I'm trying to catch up to the kind gentleman here.

REP. ROJAS (9TH):

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REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, it calls for them to send that report to the Finance Committee but it does not say that the Finance Committee is to act on it before the implementation of the plan; is that correct? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.
Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. 'Cause I find it curious that in this section of the Bill there's a lot of assuming the implementation, assuming the implementation and in the first part of that section it says this will be implemented January 1, 2021 and I am struggling to find anywhere in here that says that that payroll tax system that would be recommended by the Commissioner through the Payroll Tax Commission would actually come to us in the legislature for a vote prior to being implemented on that January 1. That the authorizing language for it to be implemented is in this section, that the Payroll Commission exists, they would then come up with this plan and then it would be implemented. Is there anything in here that specifically says that this would not be implemented without the consent or future consent of legislature?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. No, it does not.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. So it actually is saying it will be implemented on January 1, 2021 but the Commission will come up with the plan to do it and then there's nothing saying that the legislature actually has to vote on it and implement it? That it would actually go into effect on that date; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I'd say for purposes for legislative intent, the intent is for a proposal to come back to us next legislation for our full consideration.
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. And I appreciate that because I must say I paused a moment when I read this section of the Bill, that there was nothing in it that explicitly said that before it gets implemented on the date specific authorized under this Bill that it would actually come for a vote before the legislature. So I'm glad to hear that that is the intent of the Bill. I certainly wish it was included in the Bill as it is in many other Commission's reports but we'll be dealing with it going forward.

Mr. Speaker, there's a number of tax changes in this budget. They come to the tune of you were to not include the hospital tax, 'cause it's my understanding that they have come to a -- an unsigned agreement at this point that if we don't include that hospital tax as a tax increase perhaps
that you're looking at $350 million in the first year and over $400 million in tax increases in the second year; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. That sounds correct.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Davis.

REP. DAVIS (57TH):
Thank you, Mr. Speaker. Mr. Speaker, as we have just discussed and I don't even know what time we started but we've been going for quite a while, there is tax increase after tax increase after tax increase in this budget. There's no question about it. There's a fee increase over here, there's a tax increase over there. Sometimes when they get rid of a tax they put -- they raise the fee to make up the difference in many cases. Mr. Speaker, there is a tax increase on the income tax rate for every single
small business owner here in the state of Connecticut that operates a small business or has a passthrough business. If that's what people want to do, that's what you're voting on here today. If you want to raise the taxes for small business owners, for employers for here in the state; if you want to raise their income taxes, here's your chance 'cause you're doing it in this budget. If you want to make it harder for them to operate here in the state, if you want to make it harder for them to hire new people here in the state, this is your opportunity 'cause that's what this budget does. It squeezes the middle class more and more and more by extending the sales tax onto a number of different items and services that middle-class people pay every single day. Whether it's parking to go to work, dry cleaning for their uniform that they have to wear to work, whether it be the plastic bags that they get at the grocery store to carry home their groceries to their family, or maybe it's the new tax that will be placed on them when they stop through the drive-
thru 'cause they're in a rush to get home to bring food home to their kids. That middle-class family, every single day will be paying more in taxes to the state of Connecticut under this budget.

Now there have been a lot of discussions that this budget somehow is targeted towards the wealthy, that the wealthy will be paying more. But what we have before us is a tax on small businesses and a tax on the middle-class taxpayer here in the state of Connecticut.

Mr. Speaker, I cannot support this Bill. And I cannot support it because I support the hardworking men and women of this state. I support people like myself, middle class, working every day, trying to make ends meet with a child at home, trying to figure out how to pay for preschool, trying to figure out how to pay for my student loans, trying to figure out how to pay for groceries, my mortgage, my increasing property taxes, all of these new taxes. I care about my neighbor that has those same exact costs. But sometimes their on a fixed income
because they're now retired here in the state of Connecticut. I'm worried about them under this budget Mr. Speaker.

I'm worried about the ability for us to see growth in our economy. Mr. Speaker we voted to raise the minimum wage despite our cry from those who employ those minimum wage workers. We recently passed Paid Family Medical Leave that will undoubtedly raise the cost for businesses across the state and be a $400 million tax increase on the workers of Connecticut. We are now set to pass a budget that increases those taxes to $2 billion over the next two years.

Mr. Speaker, this budget spends more at a time when we should be cutting. This budget taxes more at a time when we should be reducing the tax burden on the people and the businesses of the state of Connecticut. And Mr. Speaker, this removes the caps on borrowing and borrows more moving forward for future generations to have to pay for. Mr. Speaker, this sends the exact wrong message to the people of
Connecticut, to the employers of Connecticut and quite frankly I'm very fearful that the revenue estimates that are included in this budget will not come to fruition because there will be more and more businesses closing. More and more people losing their jobs because now those business owners that decide to stay here will no longer be able to afford to pay them because they're paying more in taxes. And why? So we can increase spending. So that we can increase the programs from the state of Connecticut.

Mr. Speaker, that's unacceptable. It's unacceptable for the middle class of Connecticut and for that reason I'll be opposing this budget. Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

The distinguished Ranking Member of the Appropriations Commiss -- Committee, Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you very much, Mr. Speaker. Good
afternoon. As we begin our discussion, or continue our discussion of this budget I always have the same questions ringing in my ears because my constituents ask them continually. The one I hear the most is, why should I stay here? And I just can't figure out quite yet where I'm going to move but it's going to be soon. Should I move this year or next year? And I hear things like, why has the value of my home sunk into a bottomless pit? I'm not making this up. I hear this every day, sometimes multiple times a day. Realtors also say to me, why can't we sell anything or why are the prices decreased by half? I also hear, why is it so hard to run my business? The other day when the first reports of the Passthrough Entity Tax came out, within seconds I received an email from a woman in my town who has owned a business for about 30 years and operated it here, a business she started herself. It's a manufacturing business. And she said, okay that does it. I'm on the phone with three consultants advising me where to relocate my business. Other
people are retired and they see no reason to continue to pay what it costs to live here. They're moving. I would say a good third of my constituency has left and retired elsewhere since the time I've been in this legislature. And of course, the other question, and I know everyone hears it and no one disagrees is, why is it so hard to get anywhere in Connecticut? The traffic is so bad. The mass transit is falling apart. Why can't we get all this to work? We're smart here. What's the matter? Now we've all heard that and there's nothing new really in those things unfortunately. But that's why when a new day comes and we have a new Administration and a new legislature and we have a new budget, and we have new agency heads then it's reasonable to expect some serious thinking, some serious strategic and policy thinking in a budget that addresses those issues. It's not just the job of a budget to get through the next two years. I should say muddle through the next two years, not knowing if some of the things that have been proposed will work. Not
knowing yet if some of them will even be approved. No, the -- a budget is not just a financial document, it's a policy document. And so I've always felt that in approaching a new budget, whether it was one I was working on myself or one I was waiting to see, we have expectations to hear about both short-term and long-term proposals. Not just how do we muddle through the next two years and not end up in the red, but what are our structural measures to alleviate our debt over time and stop the persistent deficit cycle that Connecticut has been in ever since I've been in the legislature, that's nine years now. What do we have in place to guard against the next Recession, and how are we building that up? What are we doing to improve education? Close the achievement gap? Reduce the rates of remediation for our students in higher education, which are still around 60 or 70 percent.

What are we going to do today as we stand here to improve transportation? And what will you do on top of all this to grow the economy? To get
businesses to come here, to stay here, to thrive here. Sometimes that's not a matter of spending money. In fact often it isn't. If you're doing things right, it's not at all. But what are those plans? How does it all fit? What's the framework? And I kind of think this budget started that way. But gradually all of the things that were offered up were sort of thrown against the wall and they didn't stick.

So we sort of have a disparate collections here -- collection here of things that lead us to a spending increase that -- well, we're at $28.8 billion this year and I believe we end up at about $22 billion at the end of the biennium. So spending goes up. Taxes without the hospital tax over each year. New taxes about $350 million the first year and about $405 million the second year. And then we have all the moving parts. And so I want to look at a few of the moving parts. There are a lot of them and some of them are more complicated than others. Some of them raise questions. I can't possibly go
through them all because then I would really be
going through the whole budget and I would really be
talking and making my good colleague, the good Chair
of Appropriations also talk for six, seven, eight
hours. We're not going to do that. But I am going
to touch on a few things that I think are important
and -- and remain a bit unexplained. And I will
leave it to the rest of my colleagues to touch on
certain areas of the budget that I have not broached
in this discussion.

So with that, Mr. Speaker I have some questions
for the proponent of the Bill and I -- I would
suggest if you would like me to address them to
Representative Walker I'll do that, but if someone
else feels that it's more appropriate answer to
them, that will be fine with me if it's fine with
you.

SPEAKER PRO TEMPORE GODFREY (110TH):

It's your call Representative Lavielle, but I
will have Representative Walker be prepared.

REP. LAVIELLE (143RD):
Okay. Thank you very much, Mr. Speaker. So I'd like to start with a subject that's familiar to us all because we've talked a lot about these things already. We've spent a lot of time discussing employment contracts. Collective Bargaining Agreement. And I would like the good Representative about how much, the 12 agreements that we've discussed over the course of this session have added to the budget before us over the biennium?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker, do you care to respond?

REP. WALKER (93RD):

Through you Mr. Speaker. I thank you. Yes, I do care to respond to the good gentlelady from Wilton. Thank you for that question. And if in case it gets too cold, put the coat back on, okay? (Laughing) Anyhow there were 11 contracts that we did, not 12 'cause one of them is not a -- they're not state employees but we did do a contract. So yes, the amount that we did for the 11 contracts for
FY -- FY19 was $12 million. For FY20 it was $19 million.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

FY being fiscal year?

REP. WALKER (93RD):

Fiscal year, I'm sorry. Fiscal year 19 was $12.5 million and for FY20 it was $19.1 and for 21 $26.4, all of which was in the reserve for salary account. Through you -- or in the personal services account.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And I'm sorry I didn't hear. I heard the numbers but I didn't hear the first part. Was that for one agreement only or was it for -- I'm -- I'm sorry I -- I did not understand whether that was the collection of all 11, which I assume are 11 with the excluding the early childhood care
providers. Was that for all 11, because that's very far from the numbers I have myself.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker, I apologize. Through you Mr. Speaker. That was for all 11 accounts. There were -- just one second, sir.

SPEAKER PRO TEMPORE GODFREY (110TH):

Sure.

REP. LAVIELLE (143RD):

Through you Mr. Speaker. I -- I do apologize to the gentlelady from Wilton. I just realized that the numbers that I had in front of me were two -- two belts. So for -- I'm sorry, for FY19 it was approximately $13.5 million and for FY20 it's approximately $23 million and FY21 it's approximately $32 million.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you, Mr. Speaker. I'm a bit puzzled by this because to my recollection the -- the State Police Contract was by itself worth about -- I don't want to say worth but it -- it amounted to over $20 million each year alone.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. According to my -- my notes from the Office of Fiscal Analysis the State Police in FY19 was $11.3 million and in 20 was $16.3 million and in 21 was $21 million.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Okay. I -- I'm sorry Mr. Speaker.

Through you Mr. Speaker.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you, Mr. Speaker. That's a -- I think that's also not including fiscal year 22, but that's not part of the biennium. My figures are somewhat higher than this but if we will move off that for a moment. And what about the -- the agreement for the 12, which is not included in the one for early childcare providers who are not -- well that's all federal money but it's half state money. So what was the incremental cost of that agreement when you add that in for the two years?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. The money that we got for the Care for Kids Account was through federal dollars. That's why I'm not including that in the - - in the RSA.
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. Thank you, Mr. Speaker. There -- there is a state portion of what we paid Care -- Care for Kids, even though it is an ingrate part of federal money is my understanding?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I believe that the increase was adjusted through the federal dollars in our matching so I'm confused but if the good -- the gentlelady says she has that, that's fine but that's not again, what I have from Office of Fiscal Analysis.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Okay. Well thank you. I'll go with the $23
and the $32 that the good lady from New Haven has given me. And I'd actually like to ask in referring to Section 18 from lines 94, which concern the RSA, the Reserve for Salary Adjustment, which appears to me to allow for transfers back and forth from the RSA to the General Fund and from the General Fund back to the RSA. I wonder if the good gentlelady could explain why we do that and how those decisions are made to make those transfers?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Thank you and I thank the gentlelady for her question. Many of the times what we do, the Reserve for Salary Account better known as RSA is an appropriated account that we maintain and what we try and do at the end of each biennium we try to make an evaluation on the number of the people and what the potential increase might be needed. In this case the -- the Reserve for Salary Account had
approximately $92 million in it when we first
started this process this year. After that which --
with the -- with the transfers and everything as of
June 3, 2019 we'll still have $71 million still in
that account.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Mr. Speaker, why do we transfer the money out
of the General Fund into the RSA? Does it then not
appear as part of spending from the budget or is
there some other reason?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. What we've learned
over the years and if you look at the history of the
R -- the Reserve for Salary Account we've had
certain circumstances where we've had to cover some
expenses that sometimes are not appropriated -- have not been appropriated to the Personal Services Account. The reason why in this regard we're not doing the total amount is because many of the Reserve for Salary -- many of the Personal Service Accounts had made some adjustments ahead of time with the expectation of these -- these contracts coming up because of the fact of the nature that they recycle every few years. So with that the Personal Service Accounts had some money in them. Therefore, we only needed a little bit more than $20 million to come out of the Reserve for Salary Account at this time. We will -- we will carry over the $71 million into the next biennium unless we have some other issue that might come through that would cause us to have a need to expend for more Personal Service dollars.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
So when we are paying these increments out of the RSA, are they accounted for as part of total budget spinning when we discuss the budget or are they considered off budget?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. They are part of the budget that we are appropriating today.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Lavielle.

REP. LAVIELLE (143RD):

I'm sorry. There was -- there was a word between R and budget that I didn't catch. Thank you.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. These dollars are appropriated in the budget that we have today.
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. Is there any -- since this section that I referred to, section 18 also refers transferring the money back from the RSA? Why do we do that?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. We -- we transfer money back and that's so that we maintain the account as -- as long as we need it. Whenever -- just as if you were -- you had an account, your checking account or something and you were writing a check, you sometimes move more money back in to cover just to keep a balance in there so that if any for -- unforeseen circumstance comes through that would cause the need, you have the ability to make
those transfers. Because it's important that we maintain the -- the staffing and the people that work in the good state of Connecticut for the people of Connecticut.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

So once the money lands in the RSA it can subsequently be appropriated to any agency's Personal Service Account?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. It's all agencies in the state of Connecticut. They all come from the Reserve for Salary Account.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.
REP. WALKER (93RD):

And I apologize. Before -- Mr. Speaker, could you ask the good gentlelady from Wilton what section, 'cause I did not hear the section that she was talking about.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle, did you give us the section?

REP. LAVIELLE (143RD):

I was talking about section 18 from lines 994 down -- I didn't write down every single line number but it's -- it starts at line 94.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Thank you, sir and I see the section now. I wanted to make sure I was referencing the same right area.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.
REP. LAVIELLE (143RD):

Yes. The good gentlelady was referencing the same section. I'd also like to ask about section 13, which starts at line 57. And this would allow OPM to make reductions in allotments in any budgeted agency of the Executive Branch over the biennium in order to achieve statewide hiring savings in the General Fund of $7 million during each such fiscal year. Now is that because that is a goal or that is a margin of maneuver or it's -- for what reason is that language there since it is a may and not a shall.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. The expectation of the Office of Policy Management has expressed that they feel that there are opportunities for savings in some of the -- the personal service items around -- around the state. And what their expectation is
to try and have some savings in this line item.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

So this is -- this is sort of aspirational but it's not actually accounted for in the budget as such as we stand here; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. It is counted in the budget because this is a -- this is a policy decision that was made by the Office of Policy Management because they feel that there are efficiencies that they can achieve in personnel services through the -- through the state employees.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.
REP. LAVIELLE (143RD):

Thank you. So it has been booked as actually a potential savings; if I understanding correctly. Is that right?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. That's correct. What we have, we have several different ones in the budget where we feel we should -- we should be able to achieve or we have goals to achieve. And if I remind the gentlelady when we did the budget -- the biennium budget the last two years we had overtime savings that we had booked in lines also in -- with the expectations of making savings and in some cases we made more. So the good idea to set a goal and achieve it and if we exceed then we are -- we are very happy. But if not, then trying to maintain what we have budgeted for is really the best thing here, so.

Through you Mr. Speaker. Thank you, ma'am.
Representative Lavielle.

Thank you. And I'd like to move on to -- I'm jumping around a bit. To section 317 and I will get a line number for that, but it is obviously towards the end of the budget and it concerns the transfer of the General Fund monies to the Special Transportation Fund, which is as we all know a revenue item for the Special Transportation Fund. And as I understand it, the money and I'm going to ask about Transportation spending after this -- that the money from the sales tax on new cars is to be transferred to the Special Transportation Fund but not quite as quickly as the schedule under current law would suggest. And I believe that in the first year of the biennium it's 17 percent of those funds, and in the second year it's 25 percent; is that correct?

Through you Mr. Speaker.
Representative Walker.

REP. WALKER (93RD):

Through you -- through you Mr. Speaker. Not to have anybody confused that I'm stepping in my colleague's lane over here but that is correct.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And so I -- formally the figures were -- were higher, but that aside obviously we have a lot of transportation needs. No one disagrees on that. And I'm curious as to what we have -- what we have scheduled and what we have put on the priority list actually to do, and what we consider that we are able to fund between this and the bonding that we do for transportation. Will we -- what projects are we going to be able to cover during the course of the biennium in terms of transportation spending?

Through you.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I -- I would love to be able to answer that but unfortunately I've not been -- I'm not a member of the Transportation Committee and I don't know exactly the directions that they are going through. I am more familiar with the Appropriations as opposed to actual projects that are in the Transportation Committee.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I thank the good gentlelady, Mr. Speaker. I wonder if there is someone else who could respond to that question.

SPEAKER PRO TEMPORE GODFREY (110TH):

Perhaps if you direct it to the distinguished Chair of the Transportation Committee,

Representative Lemar.
REP. LAVIELLE (143RD):

I'd be very glad to do that, thank you. And so to the good Chair of the Transportation Committee, through you. We have -- we have the funds from the sales tax on the cars, some of them, although less than under current law. We have according to section 375 that my colleague, the Representative from Ellington recently discussed where we -- we have an uncapped amount of STO bonds and we have the other monies that usually go into the STF. What are exactly are we planning on spending those funds on over the course of the coming biennium?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lemar.

REP. LEMAR (96TH):

Thank you, Mr. Speaker. I thank the good gentlelady for the question. Yes, the current STF and STO amounts will be sufficient to provide for the five-year capital plan that DOT has submitted review by the legislature. That includes a series
of maintenance work and construction work that is scheduled to take place over the last few years. It does not allow for expanded growth in that program. There are a series of priority projects that DOT has identified in the 20-year capital plan that we will not be able to move forward with until a more sustained revenue source is available.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you and I would imagine over -- we wouldn't be able to discuss today what will be completed 20 years from now. But I do notice that in the two out years about the biennium this budget allows the transfer of the monies from the sales tax on your cars to go back to the schedule in current law. And that would 75 percent in 2022 and 100 percent 2023; is that correct?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lemar.
REP. LEMAR (96TH):

Thank you, Mr. -- Thank you, Mr. Speaker. Yes, that is correct.

REP. LAVIELLE (143RD):

Um, sorry.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you, Mr. Speaker. So we've -- we've actually slowed down the process of the transfer over the course of the biennium but then gone right back to the end goal of 75 and 100 in the two years after so I just wondered what the purpose was of slowing it down over the next two years.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lemar.

REP. LEMAR (96TH):

Thank you, Mr. Speaker. The purpose was to ensure that the STF remains healthy and solvent and in the four-year period full -- achieve full ability
of funds to make the necessary improvements in our 20-year capital plan.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative -- Representative Lavielle.

REP. LAVIELLE (143RD):

So if we were to go back to the 75 percent and the 100 percent as specified here, we would then be equipped to move forward?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lemar.

REP. LEMAR (96TH):

Thank you, Mr. Speaker. If we move to 75 percent and 100 percent we provide just enough money to keep the STF solvent for an additional few years.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I still have a bit of a problem understanding
why at this stage when we have so much that we want
to do in the area of transportation and it is sort
of on the -- high up on the urgent list for us in
Connecticut, why we would -- why we would schedule -
- why we would slow the schedule down if we were
going to end up in the same place after the same
amount of time. And I cannot help but wonder,
although I wouldn't claim to be right, but it does
beg the question of whether it's simply to use the
money elsewhere for the next two years. I
certainly share the concern of the Chair of
Transportation that we -- that we be able to get
these things done. I'm sure everyone does. And --
but it's -- it's kind of a let's put on the brakes
and then go full throttle within the same amount of
time and it's -- it's kind of a peculiar
configuration but I thank him for his answers.

I'd actually like to move on to the Teacher's
Pension Re-amortization, which is in section 82 and
I'm not sure who might like to respond. And it
looks like it may be the good gentlelady from New
Haven.

SPEAKER PRO TEMPORE GODFREY (110TH):

We have a volunteer.

REP. LAVIELLE (143RD):

I don't know.

SPEAKER PRO TEMPORE GODFREY (110TH):

Please proceed Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you, Mr. Speaker. So this is section 82, which begins at line 1136. I'm getting there myself. If you'll give me just a moment Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Of course.

REP. LAVIELLE (143RD):

It's a very long Bill. At the moment we have a schedule for paying for the obligation we have due to the bonds that were issued I believe in 2008-2009, something like that. And the proposal here is to prolong that schedule. And so what is the -- what is the end of the duration of payments? The
end of the schedule of payments now and to what year are we proposing to prolong it?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker. There we go.

REP. WALKER (93RD):

There we go. Thank you, thank you and thank you for that question. Let me just kind of walk you through it a little bit. So what we're doing is we're creating a Teacher's Retirement Fund/Capital Reserve Fund, which is the TRF -- STRF, the SCRF. What we're planning to do is the state with re-amortize the unfunded liability over 30 years thereby adding an additional 17 to the -- the timeframe that we're doing. The T -- the Teacher's Retirement Fund can also assume a more realistic investment return in the assumption that we're going to 6.9 down from 8 percent in line with the capital market. And then we have the activities. We'll level dollar amortization methodology to phase in over five years rather than the current method of --
present of payroll. This will avoid backloading payments in the current time. This amount of money will be approximately $300 and, I think it's $384 million -- $380.9 million.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Lavielle.

REP. LAVIELLE (143RD):
Thank you, Mr. Speaker. I appreciate the review. The year that under current law, this obligation, this schedule comes to an end is when and to which year precisely are we proposing to prolong it? Through you?

REP. WALKER (93RD):
The 30-year period will be from 2020 to 2049.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Lavielle.

REP. LAVIELLE (143RD):
Thank you. And the -- the money set aside in the SCRF, the S-C-R-F is if I believe -- and this is
all in -- in the first part of that section. It's around lines 1141 and so on. This money put aside, the $381 million would be placed there if I understand properly to -- to provide reassurance to the bondholders that all obligations will be fulfilled if any payments are going to be missed; is that correct?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Yes, through Mr. Speaker that is correct. The money will be frozen and held for the covenant just to secure our -- our responsibility of payment, making sure that if we have a -- an emergency or something that causes us to not make those payments on time, this would kick in order to cover the state's obligation.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
Thank you. And I have a question about a particular phrase here. It says in line 1141 and following: The purpose of the fund shall be to provide, and it is determined that such fund does provide adequate provision for the protection of the holders of bonds of the state, etc. What is it is determined refer to? Who has determined it and how has it been determined that this is the case?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. The -- the board -- the Teacher's Retirement Board actuaries have made that determination. Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

And are -- are they the -- the entity that determines whether there is a violation of the bond covenant or not or is there -- is there another
instance that -- that provides that opinion and that assurance that that is the case?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. Just one second. Through -- Through you Mr. Speaker. I'm not sure but I do believe they do it in concert with the Treasurer's Office.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you, Mr. Speaker. And on whom does the Treasurer's Office rely for the substantiation of that determination?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. The bondholders.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

That would be the bondholder's counsel or do they take a vote or how does that -- how is that determined?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. The Bond Counsel, that is correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And so the -- the -- the Bond Counsel of the Treasurer's Office or do the -- is there some -- does the institution that has issued the bond provide Bond Counsel to make that determination?
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I believe the Bond Counsel is the one that is evaluating the solvency of the agreement and they're the ones that are monitoring it. So I would believe that they would do it and again, in concert with the Treasurer's Office to make sure that we are in compliance at all times.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. I just wanted to verify whose Bond Counsel it is.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. The Teacher's Retirement Board.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Okay. Their Bond Counsel and not the Treasurer's. We go on then to line -- lines about 1181 and 82 where again there is discussion about the pledge that -- that this money would be used were there any insolvency or any failure to make payments and that that is -- that money is available for that sole and unique purpose. And in line 1181 it says: Not withstanding any provision of the uniform commercial code, no instrument by which this pledge is created need be recorded or filed. So does that mean that there is no document or formal piece of paper that actually -- that actually sets this out?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.
REP. WALKER (93RD):

Through you Mr. Speaker. I believe it -- there is not -- there is not a formal contract but we are putting this in statute with the process that we're going through today with the budget so I think that is going to be sufficient in that regard.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And if I understand correctly as well, if this deposit or this set aside is not sufficient then the proceeds from the Connecticut Lottery are then engaged to make up the difference; is that correct?

Mr. Speaker, through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. Would you ask the good gentlelady to ask that question again because
I'm not sure what I heard.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Let's try and rephrase that please,

Representative Lavielle.

REP. LAVIELLE (143RD):

Okay.

SPEAKER PRO TEMPORE GODFREY (110TH):

Okay.

REP. LAVIELLE (143RD):

So we have $381 million in the -- in the fund which is to be used if there is a -- any insolvency or failure to make payment on the bond. And if that $381 million were to be not enough then the recourse is for the proceeds of the Connecticut Lottery to be used?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. Yes, it -- according
to the information that we have been provided the Connecticut -- the Treasurer will have the ability to direct certain revenues of the Connecticut Lottery Corporation to the TRF SCRF instead of directing such revenues from the General Fund.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. So during the biennium, assuming that this arrangement is adopted, there were scheduled contributions and now that the discount rate or the return -- the anticipated return on investment would be lowered from 8 percent to 6.9, how does that affect our contributions during the course of the biennium? By how much does it raise or lower them, if any?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. I just want to verify the gentlelady's asking what savings we'll have by doing this process?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

If indeed they are savings or what change they would represent in these first two years.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Yes, through you Mr. Speaker. The projected potential savings for this in 2020 would $183 million and in 2021 $189 million, which would be a total of $372 million over the biennium.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
Thank you. And once the -- once the entire schedule is in place there is an additional cost over time just as there is with refinancing a mortgage or refinancing a car or another type of purchase. There is an additional cost to extending the payment schedule. So how much is that?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. For the remaining 17 years of restructure the additional cost to the state will in the form of a higher ADEC of an estimated $5.4 billion to the present value.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I believe the -- the numbers that we had received from OFA were in the area of -- in the region of about $15.6 billion over the -- over the
duration. I -- are these -- is the good gentlelady getting her numbers from OFA or do we have conflict between two sources?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I'm reading from a documentation that we received from the Treasurer's Office.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I know that we were -- we were of course as is normal, given two different figures. One for the real time cost over the duration and another much lower number for -- then at present value, what it would be worth right now and that was around $2 or $3 million so that -- that number we have from OFA is $15.6 billion. Again, and that was the case as well when we refinanced or re-amortized the state
employee's pension fund payments and that payment cost about $11 billion if I remember over the duration. So it's -- I thank the good gentlelady for the answers.

I do have one other question and seriously I was not sure whether this was clear but it appeared that in section 89, which begins at line 14-16, it appeared that -- I'd like to know if this is true. This has to be -- all of this has to be approved by the Teacher's Retirement Board and signed off before any of this can happen and that approval has not come yet. Am I reading that correctly in that paragraph that begins in line -- at line 14-16.

It's a short paragraph.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. That is correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.
REP. LAVIELLE (143RD):

When are we anticipating that the Teacher's Retirement Board might approve this proposal?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I would expect it would happen right after the beginning of the biennium.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

And if it doesn't we simply return to the current situation? Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. We will plan on
making sure that this follows through, but if it doesn’t, we will come up with a plan B but right now this is our main focus right now. Thank you.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle -- Representative -- Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And I am curious about something else as well. Some of the proposals we are reviewing today are new. Some are perhaps not fully formed. This one has been around for a while. This one we -- we saw I believe in the Education Committee as an education implementer. Later on it came to us in Appropriations, so we've seen it. It's been here for quite a while. Was there a reason that the -- it wasn't put before the Teacher's Retirement Board for approval before now?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.
REP. WALKER (93RD):

Through you Mr. Speaker. What we had to do is come up with a plan that fit within the biennium budget that we were -- that we were planning through this past spring so in order for us to do that we had to have other things put in place and that is why we are out right here at this time.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. Let's move on to another section and this time I'm going to go to line 47-14. I'm sorry to jump around so much but it's a -- it's a big Bill. So this is the section, section 183 that deals with the philanthropic activity. Am I -- Mr. Speaker, am I allowed to name the foundation or do I need to keep that out of the conversation?

SPEAKER PRO TEMPORE GODFREY (110TH):

Your call.

REP. LAVIELLE (143RD):
Well, I'll go ahead and do it then. If you want to stop me, please do. I just wanted to offer. I didn't want to commit any violation. So this is -- this is the section that deals with well the Partnership for Connecticut which is a non-stock corporation that would be organized to accept the $20 million -- the first $20 million and subsequent donations from the Dalio Foundation for the area of education with matching state funds. And so I -- I just wanted to ask a few questions about this. As I understand it, what this -- what this -- what this part of the Bill first stipulates and proposes is that the Foundation would distribute $20 million to the Partnership for Connecticut and the state of Connecticut would for its part, also contribute $20 million the first time around for the year 2020; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. I believe the good gentlelady from Wilton is referring to the Partnership for Connecticut Inc and that is correct.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And then the Bill allows the state if it so chooses to contribute $20 million again every year for five years; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. That -- we are not required to do it, but that is the -- that is the plan that we are going to -- it's not a requirement. Because there's also a part of that -- that -- that corporation that they are also going to go out to achieve $20 million in matching from other outside sources. Through you Mr. Speaker.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I believe I understood that -- well if you look at lines 48 -- line 48-40. It says: The participants to the collaboration shall endeavor to secure an additional $20 million from other private sector sources, etc. So my understanding was it was the Foundation -- the private Foundation and the state who would work together to find those sources? Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you -- through you Mr. Speaker. The agreement is that the Dalio Foundation would go and seek additional $20 million, not the state of Connecticut. Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
Thank you. And if we go back to lines 47-32 and following, it's the list that corresponds to the public purposes of the Foundation and it lists several purposes. This focuses on education. So if you look at the -- the second and well particularly the second item, supporting financial inclusion and social entrepreneurial; what is financial inclusion? Through you Mr. Speaker. Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

With the -- I have not seen that language but I would suspect that financial inclusive is participation that goes into the process of managing the -- the Connecticut -- the Partnership for Connecticut, Inc.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

I ask the good gentlelady to forgive me but I actually couldn't hear that very well. There was
something going on over here. Would she mind repeating her answer?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. What I was saying is I'm supporting financial inclusion. I'm not exactly sure the direction that they mean but I would expect that that is participation in the management development of the organization.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

And in this context social entrepreneurship would mean?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

I do believe that they are planning on creating
opportunities for training and entrepreneurship and small businesses. I believe the goal for the -- the Connecticut -- the Partnership for Connecticut, Inc. beyond just using education as a foundation, it is to help open up opportunities for employment in business development in the state of Connecticut.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. There are -- there is a lengthy description here of the goals of the program and some of the public purpose. The idea that it is permissive for the state to contribute funds after the first year. I believe the first year -- pardon me, the first year is a required contribution from the state but after that it's permissive; is that correct?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.
REP. WALKER (93RD):

Through you Mr. Speaker. That is correct.

REP. LAVIELLE (143RD):

Okay.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. So there is a -- the section goes on to describe a board which has some members from the Dalio Foundation and some state officials, some appointees and so on. This is a -- I -- I wonder if this has been thought out yet. Because the state may give up to $20 million a year to the Partnership for Connecticut, Inc., how does the state navigate proposals from this organization? These or the other organizations when it comes to competitive grant programs.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. First let me just specify who the Board is so that she understands. The Board will have four appointments by the Governor, four appointments by Dalio and then there will be four appointments by the Senate -- Senate President, the Speaker, the Senate Major -- Minority Leader and the House Minority Leader. All of them will be part of the Board in the beginning of the -- of the operation with the Connecticut First Organization. After that they we will be part of the group that evaluates the direction and what will happen. The underlying goal of the program is to look again at trying to provide training for entrepreneurship, mentoring and other networks. So I believe what will happen at that point is they will start to identify the specific areas that they want to focus on because obviously they're not going to focus on all of them right away but establishing a pattern that works within the -- the lines of government through the grant process, establishing how people will apply and what areas they're going
to apply. Thank you.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And I -- I did understand that there would legislators and legislative leaders and so on on the Board, but my -- the sense of my question is, when it comes to allocating state money to private foundations or philanthropic -- and this is sort of public/private, to philanthropic enterprises to community organizations, does this particular entity, the Partnership for Connecticut, have a kind of privilege status among all of the different service organizations that exist in our state? Particularly those involved with education and workforce development and urban renewal and so on?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.
REP. WALKER (93RD):

Through you Mr. Speaker. And thank the gentlelady for her question. I believe the Dalio Foundation has demonstrated their -- their interest and desire in education in the national market. What will happen -- and this is not a new precedent; we’ve done these types of things with other foundations. I believe Graustein was one at one time when we used to give them money and then they did the grants out in the community. It's not any different than us giving money to some organ -- some nonprofit organizations as an umbrella organization and ask them to -- to find contractors to find those services. So this is just another entity way of doing it. But the choice is to do it through a nonprofit establishment.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. So as -- since state funds,
taxpayer funds will end up in the Partnership for Connecticut at one point, is it subject to all the various types of public disclosure and reporting and ethic laws that are -- that characterize other organizations where there is use of state money?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

I'm sorry, sir. Could you ask the gentlelady to repeat herself? I did not hear.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle. One more time.

REP. LAVIELLE (143RD):

Sure. Because this organization is the recipient of state and taxpayer funds, is it subject to the same stringent disclosure regulations, reporting, and ethic laws of any nonprofit that makes its operation public? Will we know -- will the public know exactly what those funds are used for, how the determinations were made, and the
success of the programs?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Yes. Through you Mr. Speaker. They will just like everybody else. The importance is the transparency and making sure that the taxpayers of Connecticut know exactly what their money is going for.

So through you Mr. Speaker, that is correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. It's a -- it's certainly -- it's certainly a new construct. I mean the Representative has said we've done this before but it is on a scale of some grander and it's -- it's -- it's worth a few questions.

A couple of other things. Let me move on to something here. The $20 million that the state
would be contributing. Where -- where does that come from in the budget? What is the -- does that fall under a particular agency? We're paying for it out of surplus. How -- how does that -- where are we getting the $20 million from?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. We will appropriate it.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Simply out of the General Fund with its own line item or does it come under the Aegis of a particular agency?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.
REP. WALKER (93RD):

Oh I'm sorry. Okay. Through you Mr. Speaker.

I was wrong. It will come from -- from excess revenue so it will not be appropriated.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. So that would fiscal 2018 excess revenue? Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):


Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

If we don't happen to have excess revenues, does the deal fall through?

Through you Mr. Speaker.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker, no.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

So if the state doesn’t have excess revenues
the -- the -- the Dalio contribution of $20 million
stands; is that correct?

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. The anticipation of
excess revenues for 2020 are pretty solid.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Well, thank you. Okay. There are -- there are
a number of other areas with slightly less extensive
questioning. Since we're on excess revenues, am I correct that the anticipated expenditure of excess revenues from fiscal 19 is essentially the payment for the -- to ensure the respect of the Bond Covenant for the Teacher's Pension Fund Re-amortization and also the hospital sediment; is that the essential use of the fiscal 19 excess revenues?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. That is correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. A general -- a general question. I don't have a -- a line item to refer to but we've discussed it a great deal in the Appropriations Committee and I would like to ask the good Chair to explain a bit what the budget does to address the legacy retirement obligations at the UConn Health
Center, the Board of Regents and UConn, which represent a large part of their budget. And I know they were feeling very straightening during this session. So what is -- what does the budget do to help address those?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. We've made different contributions to the -- the retirement fund to the fringe and UConn and in the Board of Regents we made contributions into theirs to try and offset some of the -- the expenses that they've had so far.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Would the good gentlelady have any idea today of the percentage of -- of those obligations that -- that the budget has been able to supplement over the biennium?
Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

If I could stand at ease just so I can find the exact amounts that I have in the budget. Excuse me.
Through you Mr. Speaker. Through you Mr. Speaker.
The amount allocated in this budget for the UConn Health Center is $33,000,200 and for the community colleges is $8.2 million in 20 and $20,350,000 in 21.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. Do we have any notion of what percent of the annual obligation that represents?
Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Through you Mr. Speaker. I do not.
Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. I know it is -- it is substantial and I know that the UConn Health Center came to see quite a number of us to report that they're doing very well operationally but they can't -- basically can't keep ahead of the game and stay in the black because of the burden of the long-term obligations that do not go away. It is a very pressing problem that a lot of our -- a lot of our state agencies face. But it's particularly aggravating in the case of our higher education institutions.

Staying with higher ed for a moment but I have to jump around in the -- in the -- in the Bill to do this. On -- in the paragraph that begins line 303, it's section 36. It's a short section and we probably don't really have to refer to it for the question just so the good Representative knows that. What I want to ask about is the Student First Consolidation proposed for the community colleges. And this section deals with regular reporting to the
Higher Education Consolidation Committee, which is fine. And -- but as this initiative proceeds, with estimates, personnel changes, updated five-year budget projection, the impact that Students First specifically identified and so on, which is fine and a good thing. My concern is and this has been discussed many times, as President Ojakian had said, in order to receive accreditation for the creation of one single community college, consolidating all the community colleges we have that we sort of have to look like one first. We can't just say we're going to be one. We have to look like one. And in order to do that, that involves hiring a number of high level administrators at some cost and -- so that is moving forward as I understand it. And my concern is, with all of this reporting, which is a good thing; what if at the end of the day it doesn't work? What if we don't get the accreditation? What if we've put money on the line? We have changed organizations. We have gone very, very far into the process and then we find that I believe the new
acronym is NEASC for the New England Accreditation Organization. Where does this leave us? How much does it -- how much does it leave us out with money on the table that we spent for an organization we cannot sustain? Do we have a plan for that?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

To the good gentlelady's question, I mean this is the plan. The plan is exactly what -- what President Ojakian talked about, consolidation. We are a very small state and we have 12 community colleges and three universities. I think right now what we're trying to do is figure out what is the right fit for the state of Connecticut so if we have to make adjustments in the plan, we will make adjustments. I mean every plan that we do and every direction we work on is going to have to take adjustments no matter what we're -- which -- which one we're doing whether it be this, Dalio or any of
the others. The objective is to try and achieve the funding and keep us going in the right direction. I don't think that -- I think there may be some opportunities for change if this direction is not successful with the accreditation. They will come back to us and give us, as you know, a corrective plan. And I believe that -- that President Ojakian will maintain that direction and keep the focus in making Students First be successful.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. And I certainly hope that the good gentlelady is right. It's a -- obviously there always mistakes along the way in any enterprise but there is some money on the line in this one so I -- I just wanted to voice that concern.

Two or three things here that are particularly important for our businesses in the state and one of them -- we had some questions already on the Paid
Family Leave set -- I'm calling it set aside because it's off budget. We have, if I understand properly, $5.1 million off budget that used to be in the budget. We've taken it out of the budget and it's still money, it's still being spent, but why is it off budget?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. Yes, we are going to continue with the plan. There are some excess revenues that we had and we're going to use those to cover the expense for the -- for the $5.1.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

That would be anticipated excess revenues for next year.

REP. WALKER (93RD):
That is correct.

SPEAKER PRO TEMPORARY GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

That is correct, sir. Through you.

SPEAKER PRO TEMPORARY GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. So this is as I remember reading it was originally for something called start-up costs. Would that be essentially things like software or does that involve hiring people from the offset?

Through you Mr. Speaker.

SPEAKER PRO TEMPORARY GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. That is correct, ma'am.

SPEAKER PRO TEMPORARY GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
And then when we discussed this in Appropriations there were some plans for hiring anywhere from about 100 to about 140 people to manage this. I believe from the Bill that passed there was some question as to who would actually administer the program so what is the -- once the software gets in, what is the -- what the schedule for implementation and when do we think there will be a decision on what we will need to spend in addition to the $5.1?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Mr. Speaker, I'm going to ask to -- to pass this on to the good gentilelady from New Haven, Representative Porter to answer that question if that's all right you, sir?

SPEAKER PRO TEMPORE GODFREY (110TH):

The up to whether it was all right, Representative Lavielle. Would you like to direct
that question to the Chairman of the Labor Committee?

REP. LAVIELLE (143RD):

I -- that would be wonderful. Thank you very much. I'd appreciate it.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

Thank you, Mr. Speaker. And if the good gentlelady could please just repeat the question.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Yes. I was asking about the Paid Family Leave Program. I had understood from the Bill that passed recently that was -- the decision -- we were waiting a decision on who might be administering the program, whether it would be the state or whether it would be an outside institution and since the $5.2 billion that will be -- that is off budget for the
moment was essentially for software and other types of things like that to start the program. Are we anticipating further staffing needs and if -- because they range from about 100 to 140 people when we discussed this in Appropriations, are we anticipating hiring more people? And if we don't know yet, when do we expect to make the decision on what we'll need to do next and are we anticipating spending anything additional at the moment?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

Thank you. Through you Mr. Speaker. Actually that -- the program will be administrated through the Administrator who will also have a Board of 13 members and they will determine that.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):
Do we have a timeline for when they will determine that?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

Through you Mr. Speaker. Upon passage of the Bill they are going to start implementing -- going through the process of choosing the Board members. They have until July 1, 2019 to actually put the Board together and then moving forward. They will go into the process of whose is going to be hired, who will be contracted, who will be state employees. That determination will be made after the Board has been -- been established.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

So we might actually in that event find that there will be additional expenses for the program at
some point during the biennium.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

Through you Mr. Speaker. That may be possible. I'm not in a position to confirm or not confirm.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. I understand that. Do we -- do we have any provision; do we have anything set aside in case it does happen?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

I'm sorry, I didn't hear the question. Through you Mr. Speaker. If she could please repeat?

SPEAKER PRO TEMPORE GODFREY (110TH):
Representative Lavielle.

REP. LAVIELLE (143RD):

I was just asking whether we -- if that does happen, do we have anything set aside to pay for it?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

I'm sorry. Through you Mr. Speaker. If what happens?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

If there are any additional expenses during the course of the biennium which the good Representative has just said would be a possibility but she can't be sure.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Porter.

REP. PORTER (94TH):

Yes. Through you Mr. Speaker. I believe that...
the estimation was $13.6 million and we actually have money that will be coming through to cover that.

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Okay, thank you and I thank the good Representative for her answers. I have just one more question before I make some final remarks and again I'm not sure to whom to direct this. It may be Representative Walker again but we'll see. And this concerns the Connecticut Retirement Authority. In sections 99 to 102 from 1772 and I'll ask the question. This seems to indicate that the Bill takes away the requirement of the program to offer participants investment choices from multiple vendors and I wondered why that was. And that would again, line 1787 to 1788.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.  Representative Walker.
REP. WALKER (93RD):

Through you Mr. Speaker. Could the gentlelady tell us the section that she is talking about? Not the line but the section, please.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Absolutely. It's section 99 and it's line 1787 to 88 and it says that -- I'm trying to find the subject of the sentence -- the Connecticut Retirement Security Exchange would establish criteria and guidelines for the program to offer qualified retirement investment choices and then it takes out, that shall be offered by multiple vendors. And I just wondered why that was eliminated. Why the choice given to participants was eliminated. That will be my last question.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. By doing this, this
gives the Board more opportunity to make more decisions in planning for -- for the design planning.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Lavielle.

REP. LAVIELLE (143RD):

Thank you. I found that troubling because the Board is already set up as being in competition with -- with private companies that provide investment services. And at least by offering multiple vendors there was -- there was at least some business that they could get access to and I found it strange to be limiting the choices.

Anyway I -- I will end my questioning because there's so many things to go into, we'll never make it. But I want to thank the good Chair from New Haven for -- for her patience and availability and her answers. And I do want to make some final remarks, Mr. Speaker.

There is -- it should be pretty clear that there's not a sort of steady framework, a steady
line of thinking going through this budget jumping around like this. It's also pretty hard to pinpoint everything when you've had less than 24 hours to read a 574 budget but here we are. As I said in the beginning, this seems to be a document that has been sort of built on whatever it took to close the deficit. We have a lot of trial and error over the session. We had a lot of different types of proposals that didn't make it through. Whether you're for them, whether you're against them, they were sort of thrown out there like a Capital Gains Tax and then withdrawn. We had tolls, then we didn't have tolls, then we don't know whether we're going to have them or not. We've had a lot of demand to tax the rich, a lot of demand not to. And each time those things have sort of been thrown out there creating a lot of uncertainty, both among people and among businesses because it was hard to tell which way things were going. What to complain about, what to use your time on, what to be happy about. And when you look at a budget as a policy
document, you're looking for clear priorities and clear goals. And here there certainly was a goal of closing the deficit.

In the beginning we heard about rationalizing the sales tax system but there were a lot of exemptions that didn't make sense. And there were a lot of them and people weren't happy about it; I certainly wasn't but it was a way sort of rationalize those taxes. At this point they kind of seem cherry-picked, and Representative Davis went through a whole long litany of them. But they seem kind of cherry-picked kind of arbitraries. We kept a few, we took others, oh well, they closed they budget.

There's longstanding problems. There's some attempt to address some pension obligations but it also is an attempt that in the long run is going to put those obligations on future generations, billions of dollars, reaching out until the end of the 2040s. One way to attack those is to pay off more in the beginning as you can and not just put
them off and put them off and put them off.

Was there any attempt to cut spending in this budget? Not that I can tell. It does spend more in this year and next year it spends more than the year before that. And so what -- what I see here is certainly a clear, a clear priority on certain political goals. FMLA, minimum wage at any price. Public option at any price is possible, even if it hurts businesses, even if they weren't calculated for Connecticut. We had a 14-hour debate on FMLA and one thing I learned during that debate was that the $15 minimum wage wasn't special to Connecticut. No one sat down and did an economic calculation of what does our state need? Maybe it is a little too expensive to live here with the minimum wage we have now. Maybe we should raise it. Maybe we didn't raise it enough, I don't know. No one did the calculation. We took something that was being used nationally and said, hey 15 is a good number, let's use that. And then we went ahead and made it go up every year after that forever more.
So there was a lot of privileging political goals. Whether they met the strategic obligations of the state, which are to get our financial house in order and get the economy growing again and I haven't seen it. It's short term and it's inconsistent and there are some things in here that sound good but they're still subject to approval.

So the question I would ask, is what is the story? And I've been asking this for a while now. What is the story about Connecticut that we're going to be able to tell businesses to come back here and expand this economy once again? Mr. Speaker, would you excuse me for just -- would you give me just a moment? I'm sorry. What will we tell businesses to make them come here? What is our story? Are we going to tell them that we have a wonderful economic climate? That we have regulations that are not burdensome, that we have a good transportation system, that we have a consistent tax policy which is the one thing that they ask for? No, we're going to tell them that we have a very onerous retirement
security program that they're going to have to administer for their employees and make sure that they know that they have to opt out, that they're automatically enrolled and it hasn't even gone into effect yet. We have to tell them that maybe there's no more Business Entity Tax but there's still a filing fee every year. That there's changes in the Capital Stock Tax, there's changes in the URA and R&D Tax Credits. There's the thing we did with the Unitary Tax a couple of years ago that we finally didn't do, but it looked like we were going to. That there's FMLA, that there's a minimum wage increase every year until eternity. That's what we're going to tell me. We're going to tell them that we're going to keep pushing more and more taxes and regulations and obligations onto you. We don't care if you like it or not. We don't care if it costs you. We don't even care if we keep you in suspense while we figure it out. And we've got a Committee that's going to work on a Payroll Tax in this budget too. So why would we want to do this to
businesses in Connecticut? And why would we want to keep the people who live here in suspense as well?

I wish when it came time to vote that I could say to all of the people in Connecticut and all the business owners, we were thinking about you and everything here is thought through and well considered and we have a plan so on your five-year and your ten-minute -- ten-year investment horizon you can get there. But we don't. And if we make it to the end of the two years, we'll be lucky. I'm sorry, Mr. Speaker I will not be able to support this Bill. Thank you very much.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, ma'am. Representative Rojas, I understand you have something for us.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. I'll be calling an Amendment. The Clerk is in procession of an Amendment LCO 10618. I ask that he call the Amendment and I be granted leave of the Chamber to summarize.
SPEAKER PRO TEMPORE GODFREY (110TH):

Clerk is indeed in procession of LCO No. 10618, which will be designated House Amendment Schedule B. Mr. Clerk, please call it.

CLERK:

House Amendment Schedule B, LCO No. 10618 offered by Representative Aresimowicz, Senator Ritter et Al. -- Representative Ritter et Al.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas, what's your pleasure?

REP. ROJAS (9TH):

Thank you, Mr. Speaker. This Amendment makes some changes to the section of the budget related to the plastic bag topic. What it does is eliminate the exemption for compostable bags and the definition of compostable bag in section 1(a) and section 2 removes the preempted for a paper bag in 5(d) and certifies that a town may impose a local ordinance that is -- is or more restrictive than what the state does. I move adoption, Mr. Speaker and when the vote is taken, I ask that it be taken
by roll.

SPEAKER PRO TEMPORE GODFREY (110TH):

    Question is on adoption of House Amendment Schedule B. When the vote is taken, we will be taking it by roll call. Representative Rojas, anything else? Will you remark further on House B? The distinguished Chair of the Environment Committee, Representative Demicco.

REP. DEMICCO (21ST):

    Yes, thank you very much Mr. Speaker. Mr. Speaker, I really appreciate the indulgence of leadership on this particular Amendment. This gets us back to a good place with regards to what we were trying to do in the Environment Committee regarding plastic bags. I think it's a good Amendment and I would urge all the members of the -- of the House to support this. Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

    Thank you. The distinguished Ranking Member of the Environment Committee, Representative Harding.

REP. HARDING (107TH):
Thank you very much Mr. Speaker and good evening, sir.

SPEAKER PRO TEMPORE GODFREY (110TH):

Good evening.

REP. HARDING (107TH):

Through you Mr. Speaker. Just a few questions to the proponent if I may?

SPEAKER PRO TEMPORE GODFREY (110TH):

Proceed.

REP. HARDING (107TH):

So through you Mr. Speaker. Could the good proponent please explain the difference distinguishing between what is in this current Bill and what exactly has been changed right here in the Amendment?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. In section 1, it just eliminates the exclusion of compostable bags. In
section -- as well as the definition of a compostable bag. And then in section 5 of the underlying Bill it removes the preemption of a paper bag fee that says a fee could not be charged on a paper bag at a store. And then it just adds addition language that certifies -- it allows towns who want to put a more restrictive policy in place to do so if they would like to.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Through you Mr. Speaker. And through you Mr. Speaker. So the preemption on paper bags. If I understand this correctly, through you. This would only preempt supermarkets and private industry from -- from placing a fee, municipalities? Who would this be applying to?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

What it does is allow a fee. The under -- the
underlying Bill prevent a fee from being in place if a store wanted to or municipality wanted a store to charge a fee, this allows them to do that if they would like to. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Harding.

REP. HARDING (107TH):

Thank you, Mr. Speaker. And I appreciate the good -- the good Chair of the Finance Committee for his clarifications on the Amendment. I do have one more question through you Mr. Speaker. And that is in regards to the mills. My understanding is that under the current Bill, actually strike that. My understanding is that it's 4 mills in the state that are currently being set for what is a "reusable bag" under the Budget Bill. Is that being impacted here at all in the Amendment? Is that being changed? Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. No, the only change that's taking place is concerning compostable bag.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Harding.

REP. HARDING (107TH):

Through you Mr. Speaker. That is -- I appreciate the Amendment. There is some concerns in regard to the mills and I would have hoped potentially that could have been changed here in the Amendment. My understanding is that California allows for 2.5 mills to be allowed as "reusable bags," which is something that in -- right here in America is produced quite predominantly and could be utilized -- we could utilize American companies to produce that material and produce those bags. Unfortunately 4 mill plastic bags are not produced widespread here in this country and for the most part are produced in China and so it's likely that if some companies were to be going to provide customers with these plastic -- "reusable plastic bags," they'll be forced to go overseas to purchase
these reusable plastic bags which are 4 mills. And so I think there is a reason potentially why states like California which have plastic bag bans allow for 2.25 mills and so I would have hoped potentially that if we were going to be fixing the aspect of this Bill regarding plastic bags that we could address the mill -- the mills in the bags and potentially create a product here that would have more companies and more supermarkets utilize bags coming from American companies and hopefully Connecticut companies, which I think everyone here in the Chamber would support.

With that being said, my understanding is that the original reason why the plastic bag language was in this Budget Bill was based upon the fact that it -- it would provide one law throughout the entire state. It would be kind of a unified law. Now some supermarkets are thinking and other companies are a little concerned with having to potentially follow 169 different laws and rules regarding plastic bags. But I do understand the purpose and the intent.
behind the Amendment, nevertheless. So I think there are some individuals that will have some concerns about potentially opening us up to 169 different laws and rules regarding plastic bags when we can have a more unified rule for the entire state. So those are some of my concerns. Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, sir. Will you remark further on House Amendment Schedule B? Will you remark further on House Amendment Schedule B? Representative Dubitsky.

REP. DUBITSKY (47TH):

Thank you, Mr. Speaker. A few questions for the proponent if I may?

SPEAKER PRO TEMPORE GODFREY (110TH):

Proceed.

REP. DUBITSKY (47TH):

Thank you. So just to be clear, paper bags are not covered at all by this? Through you.
Representative Rojas.

REP. ROJAS (9TH):

Could you -- could you repeat the question please?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Dubitsky.

REP. DUBITSKY (47TH):

My question was, please confirm that paper bags are not covered at all by this Amendment. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That is correct, they are not covered.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Dubitsky.

REP. DUBITSKY (47TH):
Thank you, Mr. Speaker. So -- so there will be no fee on paper bags and there will be no ban on paper bags after July 2021; is that correct?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That's correct.

Towns will have the option to do that but this -- at the state level that is not being done.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Dubitsky.

REP. DUBITSKY (47TH):

Thank you, Mr. Speaker. And through you Mr. Speaker. What was the -- the reasoning for eliminating the exemption for compostable bags?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Mr. Speaker. There was a concern brought up that the bags did not break down to the extent that some people believed they would and therefore they didn't think they were environmentally friendly, as we thought they were originally.

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Dubitsky.

REP. DUBITSKY (47TH):

Thank you, Mr. Speaker. And if I were to develop tomorrow a bag that truly composted for -- out of -- made out of soybeans for example, what would be the reasoning forming not to be -- for those bags not to be exempt?

Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I can only presume to the extent that it's tested and it's verified that
it will actually break down in a manner that's consistent with the policy goals that we have for this. I think that's the only reason why. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Dubitsky.

REP. DUBITSKY (47TH):

Thank you, Mr. Speaker. I'll listen to the rest of the debate.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative O'Dea.

REP. O'DEA (125TH):

Thank you very much, Mr. Speaker. Just briefly on this Amendment if I may, through you Mr. Speaker. My understanding if this Amendment doesn't pass there can't be a fee on paper bags but if this Amendment does pass, municipalities can put a fee, a 10 cent fee on paper bags; is that true?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.
REP. ROJAS (9TH):

Through you Mr. Speaker. That is correct.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative O'Dea.

REP. O'DEA (125TH):

So my good friend, Ranking Member in Environment had said this is an arguably a good Bill for the sake of giving municipalities control and environmentally friendly, however, it now allows for an additional fee on paper bags in addition to the plastic; is that the good proponent's understanding as well?

Through you Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker, yes.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative O'Dea.

REP. O'DEA (125TH):

Well, I feel torn. My environmentalist hat,
which some say I don't wear very often but I really do try to, likes this Amendment but my fiscal conservative anti-fee hat says no, so I'm leading towards no. I appreciate the indulgence of the Speaker and the good proponent of the Amendment.

Thank you very much, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, sir. Will you remark further on House B? If not -- oh, Representative Rutigliano.

REP. RUTIGLIANO (123RD):

Thank you, Mr. Speaker. Mr. Speaker one question through you to the proponent of the Amendment.

SPEAKER PRO TEMPORE GODFREY (110TH):

Proceed, sure.

REP. RUTIGLIANO (123RD):

Through you Mr. Speaker. When you say there can be a fee on a paper bag, is that restricted solely to supermarkets or single use or does it include all industry in Connecticut?

Through you Mr. Speaker.
SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. We leave that decision up to the town. Through you.

SPEAKER PRO TEMPORE GODFREY (110TH):

Representative Rutigliano.

REP. RUTIGLIANO (123RD):

So this is where I may push back on it a little bit even though I wasn't necessarily opposed to the Amendment when I first started reading it. Some businesses, not unlike myself and other industries that are out there, have already made the switch, sort of the responsible switch as some would say, from plastic bags to paper bags but the cost of an average single-use plastic bag is around 2 cents and paper bags run from anywhere from 17, 28 and some of them are 40 cents apiece. One could say to be more responsible we're sort of already paying that tax 'cause we don't really pass that on to the customer, it's sort of built into the price or we take a hit
on it. So it's the fee on the paper bag that -- that concerns me the most 'cause I sort of feel like we're paying it already. We're sort of already paying the tax on the paper bag when we tried to do the right thing. That's the only statement I had. Thank you, Mr. Speaker.

SPEAKER PRO TEMPORE GODFREY (110TH):

Thank you, sir. Will you remark further on House B? Will you remark further on House B? Are you ready for the question? If so will staff and guests please come to the well of the House? Will the members please take your seats? The machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER PRO TEMPORE GODFREY (110TH):

Have all the members voted? If all the members have voted, the machine will be locked and the Clerk
will take a tally. The Clerk will announce the tally.

CLERK:

House Amendment Schedule B.

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SPEAKER PRO TEMPORE GODFREY (110TH):

The Amendment is passed. (Gavel) Will you remark on the Bill as amended? Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Mr. Speaker and good evening. Mr. Speaker I rise in opposition to this budget. And having seen a number of budget throughout the years, I have to say what this budget represents is really -- it's a plutocratic budget with more rats than a New York sewer. This budget squeezes out the middle class and small businesses and I'm going to talk
about some of the rats that are in this budget as we move along. It's not necessarily I think a nice term to category -- categorize some of the items that are in here, but I think it is duly appropriate.

To start out, early on in this session there was a conversation about $100 million from a private investor coming into the state of Connecticut. And as part of that offer the state of Connecticut was going to offer another matching $100 million. That proposal came early enough certainly for a public hearing. But a public hearing was never had. Some feel with --

SPEAKER PRO TEMPORE GODFREY (110TH):

Excuse me Representative Candelora. (Gavel) Even I'm having trouble hearing our colleague, so thank you. Representative Candelora, I'm sorry.

REP. CANDELORA (86TH):

Through you Mr. Speaker. So Mr. Speaker, we had a proposal that was offered by a private business owner to donate $100 million to the state
of Connecticut and with that we were seeking -- there was an offer of the state of Connecticut matching $100 million. That offer was made in time for the state to put together a public hearing, presumably in the Finance Committee and begin a dialogue on what that would look like. The goals were laudable. Let's provide money to underprivileged children for educational needs. And what happened? No public hearing. So we saw legislation being crafted in some back room and surprised it's in the budget. And what I find so offensive is that this corporation that's being formed completely divests the legislature of any authority. It's actually creating a corporate board made up of a bunch of rich people and politicians and exempts itself from state ethics, state contracting laws and the freedom of information. And in fact, the legislation says that the Governor upon mutual agreement with the corporation could decide whether or not it's going to supply any report at all to the General Assembly. So tonight
we're going to have a conversation and a vote of giving $20 million of state tax money to a corporation that is not transparent and answers to nobody. And guess what? If you want a report, you don't get it. You're going to have to go to the Governor with hat in hand to try and get that information. And so these corporate board holders are going to go up to the balcony and sprinkle down dollars onto the -- I guess the peasants of Connecticut and we're supposed to be happy about that.

I don't understand why we think these individuals would be smarter than the legislature who should be the body that's not only putting together what that document -- what that corporation would look like, but at the very least creating transparency that we are supposed to have in our budget process and in good government. I'm sad to say that transparency isn't there.

You know I sit here very frustrated obviously. Because then we look at the other portions of the
budget and we are fleecing the middle class. We've gone from policies of ten years ago, and I've said this before, where companies like Aetna and good companies, Aetna, Pitney Bows, Travelers, you name it, Sikorsky, would come to us and have global conversation because usually the tax policies for affecting companies at those levels. So right now they have a 10 percent corporate surcharge that was imposed upon them that's still being paid to this day and never phased out. And because of the bad spending habits we were never able to do a better job of reforming our tax policies. So now we have a budget that is pickpocketing the rest of the state of Connecticut. Pickpocketing our small business. We're going to pickpocketing people when they drive up to park their vehicles. We're going to be pickpocketing people when they bring their laundry to the laundromat. And if you're in a certain field like interior design we're going to be pickpocketing that field as well. So I just ask, what does this budget represent? What are we standing for? And I
do have a couple of questions that I don't think were flushed out in the last cliquey, so if I may, Madam Speaker, I guess ask a question probably of the Chairman of the Finance Committee.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Please proceed.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. In section 78 of the -- of the -- the Budget Bill we are changing language dealing with bond premiums and as I'm reading this, am I correct that there's always been a controversy of how bond premiums are to be used. In years past, they were sort of utilized in the General Funds and used to offset spending. When we negotiated bipartisan budget, we said that practice was not good financial practice so let's make sure that that money is amortized over debt. So the premiums are being paid, paying down debt.

As I read section 79; am I correct that we're reverting back to the given flexibility to allow the
bond premiums to be used toward anything? Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Madam Speaker. That is correct. It's delaying the law that was to go into effect July 1.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. And then getting to the fee increases that OPM is going to be looking at, there are a number of other fees increases that are in this budget. I imagine that OPM is going to take that into consideration when they're looking at different fees, but for like for instance we're seeing an increase of the report filing; the annual report for a business go from $20, I think it was like to $80. Does this language give the
flexibility for OPM to visit the fees that were already increasing already in this budget? Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. Ultimately any fee increases are going to be subject to a vote of the legislature. Certainly I hope OPM will take any changes that are being made now into consideration in making their recommendations but ultimately it will be up to us to make those final decisions.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. I do appreciate that answer. And then the final section, which I'm not sure if it would the Finance Chair could answer but through you, we are allowing the Office of the Controller to offer individual health plans. And as
I see it, I think this is offering health plans to municipalities and the state. Does this essentially allow the Controller to market these plans to any municipality throughout the state?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Representative Candelora, if you -- Madam Speaker, if you could just have him repeat the question, please?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative, if you could repeat the question.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. In sections 377 to 383 the Controller is given the authority to offer different health plans I guess to participants. Does this language give the ability essentially for the Controller to offer health plans to various municipalities throughout the state of Connecticut
regardless of whether the Control -- whether the
municipality is part of the state plan?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker, yes.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. And then I think my
final question is probably to the Chairwoman of the
Appropriations Committee. We do have a number of
earmarks that are outlined in the budget and I think
traditionally they've been there. I've seen them in
previous budgets. Is there a criteria that's set
forth for designating those earmarks other than
legislative requests?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.
REP. WALKER (93RD):

Through you Madam Speaker. I thank the good gentleman for the question. Yes, the criteria is that they are for youth after school programming or programming that works with youth throughout the state of Connecticut. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. And I -- I guess I notice that theme. I appreciate that theme. Having somebody that's a very strong supporter of Boy Scouts and strong support of Little Leagues. I know we have Scouts here today. But one of the line items in here is providing $37,000 to a particular troop and having been a troop leader for over a decade now, it just seems like a lot of money for a particular troop to need for operations. Is this money for capital or are these just for activities that can be carried over a number of years or are they expended all in one year?
Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Thank you, Madam Speaker. The money -- the $37,000 would be for one year. They would have to spend it in the one year. It would be for activities. It could be one troop that -- that has multiple locations in the towns. Most of these towns have many more people in the troop groups and things like that. And the other part is there is no real underlying dollars in many of our troops so what we're doing is trying to supplement those dollars because if you know, many of the -- for the last few years we have really eroded after-school activities and -- and I'm sure that many of my colleagues here have seen some uptake in some of the youth activities in the communities and I won't get into the name -- neighborhoods but many of those communities have absolutely no after-school programming. So that's what these dollars are for
and more than likely that -- I bet you that the troop group that you're looking at probably covers like the whole area, major area.

    So through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

    Representative Candelora.

REP. CANDELORA (86TH):

    Thank you, Madam Speaker. And I appreciate that. And I certainly understand especially -- you know when it comes to Boy Scouts we have you know various troops. They all do fundraising. I'm sure everybody goes to the grocery store and sees them selling their items. In particular we've -- our district has, for the first time we've started back actually New Haven troops which have become more active, which is important. And so I certainly don't want to minimize what that organization does because I am a big supporter.

    But my final question on that line item. It points to a Troop 105; Boy Scout Troop 105 as being designated toward receiving the funds. And it does
not specify what counsel or what district and there's multiple Troop 105s. There's probably a couple within the state of Connecticut, but there's many throughout the country with that designation. If there is some ambiguity over which troops should actually receive that money, would OPM have the ability to make the determination of what the intent of who that troop is that is the recipient of that?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you -- through you Madam Speaker. I understand. What we did was we abbreviated the names and the information on many of them because of the fact that what we wanted to do was make sure that we identified the amount and to the specific name of it. But the continued -- the 501 3(c), who was the Administrator in the organization, all the details of the organization and they're kept with the Judicial Department for these line items.
Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Candelora.

REP. CANDELORA (86TH):

Thank you, Madam Speaker. And I don't have any further questions. I do have some other remarks as a result to the answers to my questions. You know when it comes to these earmarks and I understand certainly that these items are important to somebody but there are other things that are important to people as well when we do things in this budget and I feel sometimes that we've taken those items for granted. You know since the last minimum wage increase occurred, I had -- I'm in the recreation field and I've had two organizations call me to tell me that they're closing their businesses. They asked me if I wanted to take them over. My business supports all of these organizations. Little League comes to use my facility for free. I don't charge them at all. And I sit here and I think, I am not going to be in a position to give all these
organizations the donations for the raffle prizes. Setting up for the cookie sales, letting them come in and have try-outs for their baseball organizations and that makes me pretty bitter when I sit here.

And then I see on the other end, the state of Connecticut is picking and choosing what organizations are going to be receiving money. We have Little Leagues in here that are going to be getting $60,000 for one Little League. I've served on our Little League Board. Our Little League Board does not have that kind of an operating budget. There's not a need for it. $37,000 for one Boy Scout Troop is phenomenal to me, unless they're going away to a National Jamboree, troops don't raise that kind of money. I've sat on Boy Scouts that have had 30 kids in the organization and we had an operating budget of $4000. So for me to now think that I'm going to have to, as a business, start charging these organizations because of what we're doing in the budget and then turn around and
the state of Connecticut is going to know better and it's going to take that money and allocate it out to me, I have a problem with it.

You know I look at the bond premiums. This Governor stood up and talked about we're going to go on a debt diet. I know I heard that sound bite for the last three months. Similar to the sound bite of you know, truck only tolls. And we're going to give you a property tax credit across the board? Well this debt diet is going to be wiped out by the fact that we are now going to go back to this bad policy of using bond premiums for our general obligations in the budget. You know, it was something that I think the Republicans we set our hair on fire every time we looked at it. And sometimes those numbers were in the hundreds of millions of dollars. We're not talking $5 million or $10 million. We had a year; I think it was over $300 million were diverted out of money that should be going to paying down debt. That's why we put this proposal in the bipartisan budget and we're going to just wipe it
out now today. And so I have no interest in listening to the sound bites of debt diet when we're going to undo that good practice.

You know I'm concerned about what we're doing in the Controller's Office. I think many people in this building might realize that we had added municipalities and I think it was party line vote, so I want to say the Democrat party decided to add municipalities to bid into the state's healthcare plan because we thought it would be save money and bring more people into the pool. And I was surprised I think it was last year, that my town joined the plan. And I'm thinking to myself, how the heck are they joining a state plan that traditionally has always been far more expensive than what the town of North Branford provides? And then low and behold I find out; well we've been subsidizing this municipal plan that towns are joining into and it's been running in the red. I think this year $10 million I heard. So rather than say, we've got to stop this practice, which was a
big mistake, we're now going to give the controller the authority to compete with our private healthcare center -- sector. So now the Controller is going to start marketing more healthcare plans to municipalities. And rather than fix the fact that he is subsidizing a healthcare plan with our tax dollars, we ignore that fact. Let's give him more authority to bring in more towns and maybe if we bring in more towns, we can somehow smooth out and bring us into the black. That's crazy. Without any reform. You know I feel like this proposal is like the MARB language we put in two years ago where we saw that municipalities are getting in trouble; we need to sort of get in here and help them restructure. And we all supported on a bipartisan basis and what happened? We -- we gave Hartford $500 million and bailed them out and now we're paying for it.

You know the fee increases, I'm glad to see that OPM you know, has the ability or has the requirement to come back to us before we increase
them because we could sit here and say this is a great thing that we're eliminating the Business Entity Tax but what are we doing? We're turning around and increasing the annual filing report for businesses, which you know by the way our Little Leagues and our Boy Scouts and every other organization who has an LLC and a corporation has to file those same reports. And as a business owner for me they're nuisance reports. You forget to file them. You get the email now. If it -- if it goes into your spam, you don't even see it and then all of the sudden -- I've had an LLC and I had to file three years' worth to catch up because you just don't pay attention to it. So now you're going to have businesses having to catch up by paying a $360 bill rather than a $50 bill. It's a nuisance. And I come back to the fact that those are the things where we're pickpocketing the state of Connecticut.

You know when I look at this budget, I'm reminded of sort of looking at you know, going to the supermarket and I get that flyer in the mail and
there's a whole bunch of great sale items that attracts me to this store. And I get into that store with my shopping cart and I start buying all those sale items and my wife gives me the grocery list so I have to buy everything else along with it. And as I'm putting everything in the cart, I'm realizing all the other things I'm buying is three times the amount of its normal price. And by the time I get done filling up my shopping cart I'm realizing I've been had. I'm spending more money than I otherwise would have if I had just gone to the regular store and purchased my items. And I feel like that's what the state of Connecticut has done over the last ten years. And I don't know how much longer we can keep putting out these sale flyers, showing our discounts on one hand and then when you get into the store you've got all those jacked up prices on the other.

So obviously I'm not going to be supporting this budget. I look forward to the continued debate. I hope there's appropriate consideration to
the Republican Amendments that are being proposal
because God knows the state of Connecticut needs it.
Thank you, Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Thank you, sir. Will you remark further?

Representative Perillo of the 113th.

REP. PERILLO (113TH):

Thank you, Madam Speaker. One of the things
that we've heard throughout this year and quite
frankly for the eight years from businesses is that
so many things that we have done have made their
lives, their businesses, lives of their employees
difficult. And I think what we see in the budget
before us moves us in that same direction. Our
economy has not recovered like it's recovered in
other states. Our employers are still screaming for
help and worried. Quite frankly they're worried not
just about this budget but they're worried about
other things we've done this session. They're
worried about minimum wage and what that's going to
do to them. And they're worried about the fact that
perhaps, many of them said this to us, that they're going to have to lay off workers or cut hours because of that. They're worried about Paid Family Medical Leave, which we've already passed out of this Chamber. And it's funny, we really just don't listen to our businesses and I think FMLA is a great example. I was at a forum not too long ago of business owners and all those business owners said, you know we just can't afford this. It's just going to make life too difficult. They didn't want to see their employees get caught with that and they said it would be bad for business. They were unanimous in that and that message. Yet I heard legislators say to them actually you know, this is going to be good for business. When the business community is saying over and over and over again, these things are going to harm us and we fail to listen I think that's a failure of leadership. Half the battle of leading is listening. And if we're not going to listen to the businesses that are impacted most by the policies, we implement then I think at some
point we have to recognize we have opportunities to reverse that trend. We have opportunities where perhaps we can start listening and start leading.

So I think we have an opportunity here to do that and in that spirit, Madam Speaker the Clerk is in procession of an Amendment. It is LCO No. 10647. I ask that he please call it and I be given leave to summarize.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Chamber will stand at ease. Chamber will come back to order. Will the Clerk please call LCO 10647 which will be designated House Amendment Schedule C?

CLERK:

House Amendment Schedule C, LCO No. 10647 offered by Representative Klarides and Representative Candelora et Al.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Perillo, you may proceed with
REP. PERILLO (113TH):

Thank you, Madam Speaker. And as I eluded to previously, the goal of this Amendment is to provide some relief to businesses here in the state of Connecticut. Relief from some of the policies you've implemented herein and implemented in other legislation so far this session. It does a number of things. The Amendment repeals the Retirement Security Program. It keeps in place the repeal of the Business Entity Tax. It implements the Capital Stock Tax Phaseout which we do over a number of years. I believe it's over four years and I can check that if anyone has any questions. It provides an alternative for the Family Medical Leave Program and it does so in a way that is beneficial for both employees and employers by opening up the Marketplace to employers to products available in the insurance market. It allows this to be done privately without government intervention.

As Representative Candelora eluded previously,
the budget before us -- inserts about $50 million of expected filing fee increases that the OPM Secretary would identify. This Amendment repeals that. We cannot ask our businesses to pay more in filing fees when in fact we're also eliminating the Business Entity Tax. You take it out -- you take it out of one pocket and you put it into the other. That's just not fair and the Amendment before us eliminates that.

It also eliminates business filing fee increases. We've heard from businesses that they can't absorb those costs to the Amendment herein eliminates those fee increases.

And it also eliminates the minimum wage index in which we passed previously. We all -- we heard clearly that businesses are concerned about the minimum wage increase in and of itself but the indexing was even more onerous. So the Amendment before us would eliminate the indexing and at least offer employers some degree of relief in an issue that is already severely difficult for them. So it
gives them some break. But we also understand that we need to pay for that too, or at least we need to cut costs in order to make that reasonable. So the Amendment further does -- it eliminates the CEP Grants that we currently gets and finds savings in that manner. It does require three furlough days for nonunion employees in each fiscal year, which is $4.5 million each year. It requires the Contract Standing -- Contracting Standards Board to develop a procurement plan with target savings of $25 million in the first year and $60 million in the second years. It adds a lapse to reflect net savings of $2.25 million in FY20 and $4.25 million in FY21 for DMHAS privatization which has been proposed by the Governor but is not included herein.

It eliminates a $4 million additional pilot payment to the city -- town of Middletown in both fiscal years. It requires that DAS develop a plan to expand agency participation in the Smart Agency Program with target savings of $5 million for the first year and $10 million in the second year. It
eliminates additional bioscience funding for the UConn Health Center of $4.138 million.

Madam Speaker, we have taxed and made difficult lives for business owners in this budget that's before us and in many other pieces of legislation passed this session. We have done this for many years and we're seeing businesses feel that pain. The Amendment before us is aimed to reverse that to some degree and I would its adoption.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

The question before the Chamber is adoption of House Amendment Schedule C. Will you remark further on the Amendment? Will you remark further on the Amendment? Representative Rojas.

REP. ROJAS (9TH):

Thank you, Madam Speaker. We haven't had the adequate time to review the Amendment. I appreciate the proponent on the Amendment bringing it up. I would urge my colleagues to vote against it and I ask when a vote is taken it be taken by roll. Thank you.
Question before the Chamber is on a roll call vote. All those in favor of a roll call vote please signify by saying Aye.

REPRESENTATIVES:

Aye.

Represented 20 percent has been met. When the vote is taken it will be taken by roll call. Will you remark further? Representative Walker. Representative Walker, you wish to remark? Okay. Representative Yaccarino, are you remarking on the Amendment? On the Amendment?

REP. YACCARINO (87TH):

I am, Madam Speaker and I would like to stay on the board though for after. I just want to make a couple of comments on the Amendment through you. Or a couple of questions through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Go ahead Representative Yaccarino.

REP. YACCARINO (87TH):
Thank you, Madam Speaker. And a couple of questions to the proponent of the Amendment.

Obviously my passion in this building has been bioscience over the last four, five or six years. I'm disappointed in the underlying budget that we cut the Research and Development credits and Urban Act credits from the -- in that same budget. And also we cut STEM credits for graduate students of Connecticut. In this Amendment besides the -- the Capital Stock Tax being phased out, which we have all advocated for, are we protecting at the same level 70 percent the R&D credits and the Urban Act credits for companies and businesses?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Perillo.

REP. PERILLO (113TH):

Thank you, Madam Speaker. I thank the gentleman for his question. And actually the Representative makes an excellent point. I mentioned a number of items this Bill does but I
actually forgot a very important one that the gentleman said. The underlying budget eliminates -- or the underlying budget reduces Urban Reinvestment Act and R&D Tax Credits. This Amendment that is before us restores those to ensure that we are actually incentivizing the redevelopment and R&D so I believe to the gentleman's point I think that the Amendment does what the gentleman would like to see. It does create those tax exempts. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Yaccarino.

REP. YACCARINO (87TH):

Thank you, Madam Speaker, and thank you to the good proponent. You know we look at Connecticut and to me this session has really been the anti-job session, anti-middle class session of the state. With all do respect I really believe it's, since I've been here one of the worst business -- job creating sessions in nine years. And we all promote -- we put in a lot of time in Bioscience Bill. We
talk about it. We take photos about it but we need to put our self in action. And although this budget and this amendment, maybe not perfect, but the things that are strength of our state; jobs, job creation, science, STEM, keeping young people here in the state; why in the world would we cut 19.1 percent of the Research and Development credits for urban, for cities, for research and development for jobs, for graduate students, for people to live here, learn here and live here? Why in the world would we have a budget that cuts these important pieces of our puzzle? There's no logic to me at all that in the underlying budget that those are cuts and in this we protect those. And one thing I'm also cognizant and I think we're all aware of mental health for folks and in this Amendment, do we make those funding levels? Through you Madam Speaker. It looks like we do but through a different method. Through -- through DMHAS?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Perillo.
REP. PERILLO (113TH):

I'm sorry. Could the gentleman clarify the question?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Yep. Representative Yaccarino, can you clarify the question?

REP. YACCARINO (87TH):

Yep. My -- my -- well I just get too passionate about the other stuff. I can't find the section now. Actually I can't -- I apologize I can't find the section. I thought I just read that -- give me a second. And I think we do though, that's why -- Okay, yeah. So we task the Office of Policy Management to protect mental health services for year 2020 and 2021 to keep privatize -- privately stating funds of $2,250,000 during each of the fiscal years? I just want to make sure that money is protect.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Perillo, is the question -- I'm
not sure if the question is for you in the Amendment?

REP. PERILLO (113TH):

I'm happy to answer that question Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Okay.

REP. PERILLO (113TH):

As the Representative may recall it was suggested actually by the Governor that DMHAS be privatized in a number of different ways to preserve funding. And in fact what this Amendment does is it restores $2.25 -- or saves $2.25 million in year one and $4.25 in year two. Through that privatization that is proposed and is contained herein, we're able to preserve essential functions within DMHAS while also saving money at the same time for taxpayers. That is the goal there, sir.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Yaccarino.

REP. YACCARINO (87TH):
I appreciate that. The main thing is helping people and you know as a body we need to do that. But back to the -- the R&D credit, the STEM credit; again I would hope you would support this budget. We need to create jobs. We need to create research and development for folks and we have the strongest -- we talk a good game but we -- we're cutting 19.1 percent from our Research and Development and our Urban Centers so I urge support. Thank you, Madam Speaker. And thank you to the proponent.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Will you remark further on the Amendment before us? Will you remark further? Representative Case of the 63rd. No, you're on the Bill. Representative O'Dea, do you wish to remark on the Amendment? Go ahead, sir.

REP. O'DEA (125TH):

Thank you very much Madam Speaker. Just briefly, real quick the good Representative kind of stole my thunder. This has been what I would define as the anti-small business, anti-business session
with all due respect to my friends on the other side of the aisle. And this Bill, this Amendment tries to fix at least part of it. The problems that this budget is putting upon our small businesses. When I campaigned, I had run on encouraging growth in the small private -- small business private sector area because in my humble opinion the only way we get out of the fiscal hole that we're in is by growing small business and private sector jobs. And I don't know if I'm the kiss of death and everything I wish for turns into a pumpkin come -- come midnight but I ran on increasing and improving the small business atmosphere up in Hartford and it's actually gone the other way. I should probably run on higher taxes and less business and maybe that will happen -- the opposite will happen the next time I run if I do again.

So in any event, I would ask my colleagues please considering adopting this Amendment. I'm afraid that my speaking in favor will be the kiss of death of this as well. Anyway, thank you very much
Madam Speaker and I would urge my colleagues to vote for this Amendment. Thank you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Cheeseman of the 37th. Representative Kokoruda, you're waiting for the Bill itself? Okay. Would you care to remark further on the Amendment? Would you care to remark? If not will staff and guests please come to the well of the House? Members please take your seats. The machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber. Have all the members voted? Have all the members voted? Will the members please check the board and make sure your vote is properly cast? If all the members have been voted the machine will be locked and the Clerk will take the tally. The Clerk please announce the tally.

CLERK:
House Amendment Schedule C.

Total Number Voting 148
Necessary for Adoption 75
Those voting Yea 60
Those voting Nay 88
Those absent and not voting 3

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

The Amendment fails. (Gavel) Will you remark further on the Bill before us amended?

Representative Case of the 63rd.

REP. CASE (63RD):

Good eve -- good evening Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Good evening, sir.

REP. CASE (63RD):

Madam Speaker we're here today to talk about the upcoming biennium budget. After receiving and going through some of the budget last evening and you know trying to finish up going through at least half of it the rest of today it's concerning to me some of the things that are within this budget. We
see dollar figures for certain things and we'll get into that in a few minutes.

A question through you as I start my conversation on this budget to the good proponent of the Bill, the good Chairwoman of Appropriations.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Madam, please prepare yourself. Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. On page on page 36, line 255, section 33, can you explain or let me know what the $100,000 in grants for the Thames River Heritage Park, for the water parks taxi, is that taxi a private owned taxi?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

I thank the good gentleman for the question. Could you tell me the page you're on, I'm sorry. I didn't get to it as quickly as you.
REP. CASE (63RD):

Page 36 Madam Chair -- Madam Speaker, through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. CASE (63RD):

Through you Madam Speaker. It's line 255.

REP. WALKER (93RD):

Through you Madam Speaker. That is a -- I'm not sure. I believe that is a public water taxi. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. In doing some research on this, it's actually contracted out so I'm concerned if it's contracted out to a contractor to run it, why are -- is the state of Connecticut giving $100,000 for its upkeep if there's a contractor running the -- the water taxi?

Through you Madam Speaker.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

I'm sorry, Madam. I did not hear the question again. Through you Madam Speaker. Could you ask the gentleman --

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case, could you repeat the question please?

REP. CASE (63RD):

Absolutely. So in doing a little research on the Thames River Water Taxi, they contract out every year the services. I did write down the name of the contractor who had it for this upcoming year. So it's contracted out. There are dollars when you look on their website. They charge for their rides. Why does the state of Connecticut have to subsidize for the upkeep of this, and do we get any of the dollars that they charge for the use of this taxi from the citizens?

Through you Madam Speaker.
Representative Walker.

I thank the good gentleman for that question. We do get the opportunity -- we have the opportunity of utilizing that facility, I mean the water taxi going back and forth. It is something that's a pride for the community down in -- in that area and it's important that they maintain it. It's something that families can use. It's something that gives exposure and it works with also the idea of marketing in that community.

So through you Madam Speaker.

Representative Case.

Thank you, Madam Speaker. And I choose -- I chose a bunch of things, a bunch of stickies of up here, but when you read the website they charge for their rides $10, $20 or $5 depending on what's going on. Why wouldn't they be able to self-sufficiently
and why wouldn't some of that revenue be able to come back to the state of Connecticut?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Thank you, Madam Speaker. I am not really familiar with the -- with the water taxi. I'm sure that some of my colleagues who have all talked to me about this have said that it's important such as Senator Formica and Senator Sommers. They have all -- both talked to me about this -- this water taxis. So if I'm sure if you'd like, I could find out from them.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Sure and we'll move on because I'm sure there's other good tourist attractions as this throughout the state of Connecticut and I'm just trying to see
why there's certain ones that are -- that are picked out for a dollar figure.

So we get back into -- I know the good colleague, Representative Candelora talked about a lot of the things starting on page 42 in this budget. So we all have -- we all have our high schools and we all have our -- our good parents that get out there on a -- on a weekend and they raise money for a booster club. On line 2919 Bethel High School All Sports Booster Club, $33,000? To the good Chair -- to the good Chairwoman of Appropriations, can she help me to understand that when most of our booster clubs are volunteer parents going out and raising dollars?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I'm going to try and answer this gently. There are many communities and many neighborhoods in the state of Connecticut.
There are many families in the state of Connecticut and we have a lot of people who would like their children to have opportunities to do booster clubs, to do football leagues or peewee leagues, etc. but the majority of the communities that are represented under here do not have that access and I'm so happy that other communities have it without the need for -- for dollars, but these communities don't have that. And the better thing for us as a state to do is to provide children with access because that gives -- keeps them out of trouble and it points them in the right directions. We have to make decisions. Do we want to spend more money on neighborhood and community programs or do we want to spend more money on activities because they have nothing to keep them focused? These are opportunities that are being provided to do prevention and direction and education for many children who have not had that. I think we -- I would liken it to the fact that some neighborhoods, some areas have Passport to Parks and we don't have
Passport to Parks. Passport to Parks is -- is a -- is a fund and a grant opportunity for parks in certain areas and I think that is great. I would not get up and criticize that at all. I would not say anything about that opportunity because that's another neighborhood in the state of Connecticut. These funds here are half those dollars that Passport to Parks in the budget. Passport to Parks is $6.6 million. These are $3.2 million, it's half the amount. And do we know where all the Passport to -- because we don't list it in here because we did an off-budget account. So do we have these types of things in our neighborhood? No. That's why we fund them so that we do have those opportunities, so that we do have balanced neighbors, so that we do have opportunity to exposures and I know nobody would deny a child that opportunity.

Through you Madam Speaker.

DEPUTY SPEAKER MORIN (28TH):

Thank you, Madam Speaker. I thank the good
woman for her explanation. I just asked for an explanation of certain ones as I go through here. So as we move on, you know and I think my good colleague, Representative Candelora brought it out but we have -- I don't even know the total dollar amount of these grants but the Groton Little League $50,000, other Little Leagues $30,000. Many YMCAs which they do great work, I understand the dollars. I've also been on Capital campaigns for our YMCAs. You know I live in one of those towns that -- that doesn't -- that hasn't done so well in the past and we do have a YMCA that had to actually merge with another town so that we could afford to keep both, but we weren't able to get the grants that are here.

I'm just looking at a lot of these dollar figures and it's concerning to me because we have so many nonprofits in this state, we have so many programs that are ongoing right now with DDS and DSS that we can't fund the programs we have that are ongoing. You know we hear for the past three years, maybe more that there's over 2,000 people on a
waiting list for housing in DDS. But we seem to find money for other programs but we still have yet to find money to complete and to make those lives whole.

Through you Madam Speaker. I have not been able to find any dollar figure within this budget that would increase the line item in DDS. Would the good Chairwoman be able to tell me if there has been an increase, especially with the waiting list?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Thank you. Thank you, Madam Speaker. And I thank the good gentleman for the question and somehow, I knew he was going to ask me this. It was -- I was just like waiting. I was thinking, Representative Case hasn't asked me about DDS. So first we fully funded daycare programs for high school graduates, 324 graduates in FY20 and 369 graduates in FY21. $6.4 million in FY20 and $14.6
million in FY21. We fully annualize the private provider wage increase that support -- Behavioral Support Program of $1.1 -- $1.5 million, Employment and Day Services of $15.9 million and Community Residential Services of $40 million. We annualized the Emergency Placement Established Community Capacity to Divert from Emergency Departments $600,000 in both 20 and 21 for the total of $600,000 in both 20 and 21. And, thank you. Yeah and $5.6 million overall. Thank you, and I thank the good gentleman for that question.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. And she knew I had to have a question about DDS coming, so I thank the good Chairwoman. But it still -- I appreciate the annualized increases. I'm not sure where the numbers started on. I don't have the budget in front of me but we still don't have any dollars to get some people off the waiting list. So through
you Madam Speaker. Moving on to some other items. It is kind of a policy. I'm not sure if you're the right one to ask on this but when we talk about the Acquired Brain Injury, the ABI Waiver, the Committee which usually meets four times a year has now moved down to one. Can the good Chairwoman explain that one to me? This is a very important Advisory Committee.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

I guess I shouldn't press that button, I just leave it on from now on. Thank you, Madam Speaker. Through you to the good gentleman. The Committee has met their mandate so what we're doing is we're going to maintain an annual reporting so that we make sure that nothing gets eroded in the process because that you and many of my colleagues, especially Representative Abercrombie and Senator Austin have all been very fully invested in -- in
working in that area. So this is important that we at least get an annual report to keep up with what's going on. So thank you for that question, sir.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you Madam Chair and I knew if you didn't have the exact answer, the good Chairwoman sitting next to you would have it for me, so I thank you both for being there. So if you go down -- there's one line item in here for Natchaug Hospital. Can you explain to me why this is the only hospital in here that increases Medicaid reimbursement rates to $975? Was there an issue or was we just choosing one hospital that had a lower rate and we're moving them up? Does this equalize them with everybody else throughout the state?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):
Through you Madam Speaker. Unfortunately it doesn't -- it doesn't equalize them because they're the only hospital that really does mental health issues and the way we do the funding in the state is -- it's not sufficient, yeah. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. And maybe Madam Speaker will have to answer this next one. But when we talk about, as you did earlier the good Chairwoman of Appropriations, Passport to Parks, it seems as though that account is getting pretty healthy and doing good. So we've expanded Passport to Parks and I believe it's doing other things than what it is in the realm of what it was put in place for. Could the good Chairwoman tell me those areas through this budget and how much we've taken out of Passport to Parks to do other than what was intended to?
Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

To you -- to the good gentleman there -- there -- there is only one item that -- I cannot remember what it was. There's only one item that has come out there and it was -- I can't remember what it was but it was -- I'm sorry Madam Speaker. I know that there was some things that were taken out of one -- that were proposed to be taken out but those things were put back into and they were repealed. In fact you'll see them in -- put back into the budget. But I know that there was one item and I don't remember what it was that was $20,000 for something.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Was it Park River, Representative Walker?

REP. WALKER (93RD):

I'm sorry. I can't remember what it was.

There was -- there was one item that was left in there but I will find out before the night is over
and I'll be very glad -- I'll shout out for you Representative Case, when I find that, okay?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. Maybe we can talk about it in the morning, I'm not sure. But yes, I do know there were three or four things within the budget and it's now moved down to one. It was around $20,000. I did have it in the budget but I just can't pick my finger -- put my fingers on it, where it is at the time. But when we do these accounts, that's what scares me. Things come before us and we start using the dollars elsewhere because it's getting healthy. Passport to Parks, we took a lot of heat for especially in my district because it was on every vehicle that was sitting in everybody's driveway.

The account got pretty healthy so the dollars looked good. I think the good woman has the $20,000 expenditure on her mind and through you Madam
Speaker, if she would like to -- to let me know instead of yelling across. (Laughing)

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

The microphones are for -- Representative Walker.

REP. WALKER (93RD):

Thank you, Madam Speaker. We could have had breakfast but that's okay. Passport to Parks there was a $20,000 paid to -- paid by the Department of Energy from Passport to Parks to the North Branch Park Regional -- Park River Regional Watershed, $20,000.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. And once again a nonprofit that raises their dollars, we gave dollars and through you, is that for them to purchase property?

Through you Madam Speaker.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

I'm sorry. I just need to clarify. The money that -- the $20,000 that I just talked about was being paid for out of FY19 so there are no withdrawals at all in Passport to Parks. I thought that one was in 2020, it is in 2019. So everything is still intact through the Passport to Parks. So I do apologize. Could the good gentleman please repeat his question?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. So maybe I can clarify for her and for myself, there is nothing in this budget but there was in our Appropriations budget when we were going through it and reading it and since then there's been a fix so the Passport to Parks dollars are staying where they were originally expected to be.
Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. That is correct, $6.6 million. Thank you, ma'am.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. I appreciate the -- getting the information a little bit quicker than we thought. So moving on we'll talk a little bit about -- because there have been some questions on Paid Family Medical Leave and I'm not sure once again, but when you -- when you define self-employed individuals or sole proprietors, within this budget it allows them -- I'm just curious is it still at the 0.05 and is that going to keep it solvent? I don't know if it will keep it whole so we can do it but how does that work with a self-employed individual or sole providers?
Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I apologize that this is not my realm of expertise so I'm going to have to put that on hold until I can find Representative Porter to answer that question, if that's all right with you, ma'am.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

That's sounds logical. Representative Case?

REP. CASE (63RD):

That's fine. Through you. I didn't expect -- I was looking over there but I didn't see her. I'm trying to stick with my notes as they flip but -- so I don't forget anything because I think I went through two or three realms of 3M stickies, so we have a little while to go. I'm joking.

So when we move along, we look at the Intermediate Care Facilities for individuals with intellectual disabilities, is it true? Are we
freezing the rates through DSS on these facilities?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. We are. There are several items in this budget for -- when it comes to rates that we have frozen. SAGA, Tanis and some others. All of those have been frozen.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. And this is one that affects us taking -- taking care of some of the most vulnerable in our state. Also nursing home rates. Have we frozen or are we working on the rates for an increase in 20 and 21? Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):
Through you Madam Speaker, yes. They did increase.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. WALKER (93RD):

The employee wages. Is that -- through you, Madam Speaker. I'm sorry. Is that what the good gentleman is talking about?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. I believe it's a -- it's a payment to the nursing homes that will go towards the -- the rates we pay but it actually I think filters through the facility, not directly. We don't pay them to the employees directly. It's for the private nursing homes.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):
Through you Madam Speaker. Could the good gentleman point me in the direction of what he's talking about in the budget 'cause I'm trying to understand where. We do have a circumstance where we are looking at the nursing homes and looking at the evaluation rates and everything that we have.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. I'm looking at section 302 I believe in a document that I have here. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. Yes, that is -- those are rates that are being -- that are coming from the state that are for not only union but also non-union homes in the state.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. I was just concerned 'cause I saw the language with a bill in Appropriations so I wasn't sure. It says, also possible increase three times by January 2021. So we'll move -- we'll move on. So we talk about this budget and as we just talked, nursing homes, ICF facilities, waiting lists, brain injury, I go back to the list of things that -- dollars that are given out to the numerous different organizations, which are all good organizations and I just -- I wish that within this document we could be taking care of the programs that we already have here and we already have working instead of starting new things with new dollars.

But moving forward, I'm not too sure if this was asked before but I'm concerned a little bit about it. I don't know where the money is going to come from. Section 362, the debt-free college. I think I was reviewing when Representative Haddad had
answered it. If the good woman doesn't have the answer, I'm sure I can go to him. Is she able to explain the -- section 362 briefly?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I am familiar with the -- with the program. I too was listening to Representative Haddad in his explanation both in our Appropriations Committee when we first heard about this and then what he explained to us in this budget so if the gentleman wants me to try and clarify something that -- that we both heard earlier I'll be glad to but if it is into more detail than that, I would probably say that Representative Haddad would be the better choice.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. I guess my -- my
bottom question would be, which I think you will have the answer; how does this affect the budget?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. What we have identified a couple of funding source. We hope that that funding source will be able to sustain the -- the -- the plan for the debt-free college. It will have to be maintained and controlled and it will also be within available appropriations.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you. And I thank the good woman for her answer. Once again I believe it's a new program. I wish it well. You know I look forward to you know doing some of the good things but when you're doing a $2 to $2.5 billion deficit and turning it around
with almost $2 billion in tax increases or fees, a little bit concerning.

So through you Madam Speaker to the good -- well I don't know if this goes to Appropriations or to the gentleman next to her, but doing this budget, how did we effect the Rainy Day Fund? Through you Madam Speaker. And what is left after this budget if it is implemented?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas, would you care to answer the question?

REP. ROJAS (9TH):

Thank you, Madam Speaker. The only impact to the Rainy Day Fund is that it continues to grow.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. So nothing was taken out of the -- the Rainy Day Fund to help with this budget? So it thrives just on the -- the tax
increases or the fee increases?

    Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

    Representative Rojas.

REP. ROJAS (9TH):

    Through you Madam Speaker. That is correct.

We took nothing out of the Rainy Day Fund.

    Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

    Representative Case.

REP. CASE (63RD):

    Thank you, Madam Speaker. So we talk a lot in here to help out our volunteer and our paid firemen. We're building schools, which is great because we require training. Through you Madam Speaker to the good Chairwoman of Appropriations, how was the dollar figure for the new schools and the maintenance dollars figured on this?

    Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

    Representative Walker.
REP. WALKER (93RD):

Through you Madam -- excuse me. Through you Madam Speaker. Could the good gentleman please show me what section he's talking about in the budget?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

If you'll give me one second, I'll find it for you. Through you. It would be page 6, pretty early in the budget there.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I'm trying to -- I'm trying to find the item that the good gentleman is talking about on page 6 in the budget.

REP. CASE (63RD):

Page 6, T154 through T163 are the fire training schools.

REP. WALKER (93RD):
The fire training schools, oh okay. I thought -- I thought you said school construction. That was what I -- I'm sorry. With -- could you then please repeat your question 'cause I was on a whole other direction?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Through you Madam Speaker. And I can understand because I did mention the new training schools because we just had one completed in the northwest corner and I'm curious where the dollar figure came out. And I'm just going to use this one as an example. It was $81,367 for the Torrington Fire School for maintenance dollars.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. If I go back through my records and everything, this through the Department of Emergency Services is a number that they have applied to that school.
Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Through you Madam Speaker. Has anybody contacted these schools to see what the maintenance cost of these brand-new buildings -- the maintenance cost of this brand-new building and their budget for this brand-new building is just reaching $300,000 because of the size of the new building and the amount of maintenance yet we put in $81,000 and asked them to fundraise for the rest. I'm asking the good lady, have we talked to any of the new training schools to see what they have because this is a number that has gone on for years. It hasn't changed.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

No, through you Madam Speaker, no I have --
they have -- they have not reached out to me. Thank you. Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. And the reason I ask that is 'cause we build multi-million dollar facilities which is great for these people to train because we put so much onus on the training of these volunteer fireman and these paid firemen that use this facility. The Torrington one which happens to be in the 63rd district, it actually services a little over 1,000 square miles and many multiple, multiple, multiple fire groups and fire departments that come and train. So to have them look to raise you know a little over $220,000 it's quite difficult even if you, you know do it with a boot or whatever. But I just wanted to make the note in the future that we build something that's brand-new, it might take a little bit more to maintain it 'cause we don't want to see these buildings deteriorating
quicker if they're not getting the proper maintenance. I just felt the good woman could understand, that's why I had the question.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I would recommend then as a -- as -- as you know, as a member of the Appropriations Committee, maybe on the Subcommittee that handles the fire stations that we have a field trip to go out and look at some of these fire stations together and try to make some determinations on the cost that should be allocated for them so that we all do it together in the appropriate Appropriations Subcommittee manner.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. Sounds good. Let's
have a field trip and we'll go see what it's all about. I love it. It's such a great facility and I'd love for everybody to see it and maybe there's some other projects we can show you while we're out there. So through you Madam Speaker. We talked -- and you can have a seat for right now good Chairwoman. We talked a lot -- we talked a lot about nonprofits. We've talked a lot about dollars in this budget. We talked a lot about the taxes and the fees. A lot of these are going to impact our middle class. You know, when you do certain tax increases or fee increases whether it's for a haircut, whether it's for dry cleaning, you know it all trickles down and it's going to affect the majority of the middle class. I don't have time to run through all of them, but when you talk about the nonprofits you know, our nonprofit alliance here in the state of Connecticut, the nonprofits you know they -- they employ almost 200,000 residents, about 14 percent of the workforce here in the state. In the towns and cities across the state annually those
nonprofits spend about $29 billion in the Connecticut economy for goods and services. You know in working with Special Olympics and being on their Corporate Development Team we were always buying tons of food from Bozzuto's or the you know the IGAs. The summer games are actually going to be going on this weekend so the amount of money that is spent through the nonprofits along with a lot that is donated from a lot of these places, but there still is a great dollar number that goes out there. So it's easy to see that $29 billion a year is spent through these nonprofits yet they didn't get an increase in the budget.

So through you Madam Speaker, I have an Amendment and -- once I get my paperwork here. Madam Speaker the Clerk is in procession of LCO 10639. Would you please ask the Clerk to call it and I be allowed to summarize?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

House will stand at ease. Chamber will come back to order. Will the Clerk please LCO 10639,
which will be designated House Amendment Schedule D?

CLERK:

LCO No. 10639, designated House Amendment Schedule D and offered by Representative Klarides, Representative Candelora et Al.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative will summarize the -- proceed with summarization.

REP. CASE (63RD):

Thank you, Madam Speaker. This Amendment talks about some of the things that we mentioned earlier. Last week we had a bunch of people come into the Capital building with their pleading of $100 million going to the nonprofits to help out because of, you know nothing -- nothing was put towards the nonprofits in this budget that do a lot of the work throughout the state of Connecticut, so this amendment provides $50 million. Instead of the $100
million we took half and put $50 million through different funding sources and I believe the analysis is -- is listed. So through you Madam Speaker, when the Amendment is called I ask that it be taken by roll. Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Question before the Chamber is on a roll call vote. All those in favor of a roll call vote, please signify by saying Aye.

REPRESENTATIVES:

Aye.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Represent of 20 percent has been made. When the vote is taken it will be taken by roll call. Will you remark further? Will you remark further on the Amendment before us? If not -- Representative Walker.

REP. WALKER (93RD):

Thank you, Madam Speaker. Madam Speaker, I rise very slowly, but I rise because right now with the budget that we have before us we do have a
variety of different entries in here for nonprofits. I'm not going to go through the whole list because I'm not going to pit one nonprofit against the other but at this point in time we do not have the money available for putting in additional $50 million into the budget. I look forward to having this conversation with my good colleague from Torrington next -- in the next biennium -- next year in the biennium and see what we can do together. So with that, madam I urge my colleagues to reject the Amendment.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Would you care to remark further on the Amendment before us? Representative Case.

REP. CASE (63RD):

Thank you, Madam Speaker. And to the good woman of Appropriations, the Amendment does -- was thought through the fiscal note where the money is found and it's found in the current budget. We can go through those line items if you'd like. It's $50 million. Some of the issues we have here are, I'll
just a take few of them. It's requiring contractor standards to save $25 million which would make us --
the purchase of services. Some of these purchase of service contracts haven't gone out to bid for up to
five to ten years. It puts them out to bid every year so we get a competitive grant, or competitive price. On top of the 40 PSAs, 38 on average terms of 10 years and two terms of 106 of 94 years
prospectively. So what we'd like to see is for these contracts to go out to bid on a -- on a more timely basis and we think we can achieve some savings through that area. Requiring three furlough
days for nonunion employees. Eliminate additional proposed funding for UCHC bioscience. So we have a lot of things in here. There is a fiscal note that does even it out and give the $50 million to the nonprofits so it wasn't an add to the budget through the good Chairwoman. It was very hard looked at and finding areas within this budget that we could take the money.

Through you.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Thank you Madam Chair -- Chairman. I -- I hear the good gentleman and I -- I do want to let him know that we do have a savings in this budget of 5 and 15 that we had achieved from -- we're expecting to achieve through some of the stuff that the Contract Standard Boards talked to us about also. I think that the idea of hitting as high as $25 million, I think is a little bit excessive and when talking to them about some of their things that they identified, we realized that some of it had to do with contractual timing and things like that, which was going to make it a little bit more complex. So again, I appreciate the Amendment but I urge my colleagues to vote against it. Thank you Madam Chair.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Would you care to remark further on the Amendment before us? Will you remark further? If
not staff and guests please come to the well of the House? Members please take your seats. The machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll.

Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Have all the members voted? Have all the members voted? Please check the board to determine if your vote has been properly counted. If all the members have voted the machine will be locked and the Clerk will take a tally. Clerk, please announce the tally.

CLERK:

House Amend -- House Amendment Schedule B.

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ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Amendment fails. (Gavel) Would you care to remark further on the Bill before us as amended?

Representative Rutigliano of the 123rd.

REP. RUTIGLIANO (123RD):

Thank you, Madam Speaker. Madam Speaker I had high hopes for the new Administration and the new budget. After coming off of two years where we all seemed to work together and we passed the bipartisan budget with no tax increases which resulted in a surplus this year, I really had high hopes that we could continue that and that this budget would reflect some of those values that we worked on over the past couple of years.

Unfortunately, in my perspective that hasn't happened. One of the most glaring things in the budget is the new 1 percent tax on prepared foods and meals in restaurants and grocery stores. You know, when it was first proposed, it was proposed as a municipal option and then it was proposed that the
money from this tax would go to municipalities. Some would say that some were in favor of such a thing and they might have agreed with it because even though they didn't want to impose this tax on their customers or their residents, at least the money was staying in the community from where it was collected. But unfortunately, that money now under this budget would go into the big sinkhole known as the state budget and really not benefit anyone. So we find that very disturbing.

Also the lack of the property tax relief. You know, it was just a few years ago where every middle-class family that owned a home -- or had $500 off their state tax. That's now been reduced to almost zero. In last year's budget that -- that property tax was going to be restored for some, not all. The wealthier folks wouldn't get it, but most middle class were and this budget takes that away. So in saying that Madam Speaker, Madam Speaker the Clerk has an Amendment. It is LCO 10636. Would you please ask the Clerk to call and I be allowed to
summarize?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Will the Clerk please call LCO 10636, which will be designated House Amendment Schedule E?

CLERK:

House Amendment Schedule E, LCO No. 10636 offered by Representative Klarides, Representative Candelora et Al.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative you may proceed with summarization.

REP. RUTIGLIANO (123RD):

Thank you, Madam Speaker. Madam Speaker, this -- this Amendment does a couple of pretty simple things. First, it restores the property tax for middle class and working families. It does what we said we were going to do in last years budget. We allow people to deduct a certain amount of their property taxes if their income qualifies for it.
It also does something else. In our last budget, we thought as a priority and a reaction to the property tax, how the federal government handled the SAW taxes. We created a new tax through relief for certain LLCs, partnerships, etc. offsetting some of the income tax credit, alleviated the federal tax on state and local deductions. Small business owners were supposed to be made whole or held harmless through this work around. Unfortunately, the state has dipped into that, Madam Speaker. It's dipped into in the tune of $50 million, $50 million that would have stayed with small business, not large business. Small business, job creators. These LLCs and LLPs are usually small business folks that use this type of corporation to -- to get some protections for themselves, but also how to manage their business.

Also Madam Speaker -- Madam Speaker, thank you. I move adoption. And Madam Speaker, when a vote be taken, I ask that it please be taken by roll.
Speaker will order a roll call at the correct time. The question before the Chamber is adoption of House E. Will you remark? Representative Abercrombie? Not on the Amendment? Representative Davis, on the Amendment? Go ahead, sir.

REP. DAVIS (57TH):

Thank you, Madam Speaker. I stand in support of this Amendment here today. As discussed during my previous debate on the budget what's being proposed in the underlying Bill is a tax -- income tax increase on every single small business owner across the state of Connecticut. What this Amendment does is it proves the fact that we don't have to do this. We hear time and time again we need to -- we need to tax people more; we need to tax these business owners more. They feel like this was better than doing it through the Capital Gains Tax and we're proving here in this Amendment that it doesn't have to be done at all. That we can find savings throughout the state budget so that we don't have to raise income taxes on our employers here in
the state. In addition, it does -- it actually fulfills a campaign promise made by Governor Lamont that has been disregarded and not followed through on. This expands the Property Tax Credit back to the way it's supposed to be, to everyone under those income thresholds regardless of their age and regardless of the number of dependents that they have. This is something that the Governor promised to the people of Connecticut during the campaign that he would do. He did not propose doing this. And we're following through on that promise that he made and a long list of promises that he made that I guess he is no longer following through on. This Amendment does that and for those reasons, I support them. Thank you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Thank you, sir. Will you remark further on the Amendment before us? Will you remark further? Representative Rojas of the 9th district.

REP. ROJAS (9TH):

Thank you, Madam Speaker. I appreciate the
intent of the Amendment but I urge my colleagues to reject it. Thank you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Thank you, sir. Representative Rutigliano.

REP. RUTIGLIANO (123RD):

Thank you, Madam Speaker. Madam Speaker, I don't think some may not know how the LLCs work and how passive or passthrough income works. If you're a small business owner and you want to invest in something, you want to open a new location, or you want to get a big large piece of equipment, in an LLC the profits of the company or the revenues of the company pass through you on a personal level, meaning you pay a personal tax rate on that money whether you take it as your earnings or you use it for investment. This policy that we passed would have helped these folks. It would have taxed them at a different rate. It would have protected them from the changes that happen on a federal level. It would have been good for job creators. It would have been good for investment in our economy here in
Connecticut and I urge adoption. Thank you, Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Thank you, sir. Would you remark further on the Amendment before us? Would you care to remark further on the Amendment? If not will staff and guests please come to the well of the House? Members please take your seats. The machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Have all the members voted? Have all the members voted? Will the members please check the board to determine if your vote has been properly cast? If all the members have voted the machine will be locked and the Clerk will take a tally. Clerk, please announce the tally.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Amendment fails. (Gavel) Would you remark further on the Bill as amended. Representative Devlin of the 134th.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. Good evening.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Good evening, Madam.

REP. DEVLIN (134TH):

So I rise with a few questions and some comments. I guess first of all I would share and echo some of those of my colleagues so far. I had high hopes for this budget and the direction that our Governor said that he wanted to take our state.
And with Connecticut being ranked number three in terms of out migration, number two today at least in terms of highest taxes; we are number one in terms of Tax Freedom Day. We worked the longest in any state in the nation in terms of having been finished paying all of our tax obligations. And we're one of the worst in terms of running and being a business-friendly place. I was hoping to see some things that would signal a change and regrettably that's not the case. But I do have some specific questions related to a few sections of the Bill.

Section 317, Madam Speaker which relates to transfers from the Special Transportation Fund. I'm not sure who to direct those to.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So -- so through you, could the good Representative please summarize in section 317, lines 11854 through 11971?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Rojas.

REP. ROJAS (9TH):

Sure. Thank you, Madam Speaker. What we're doing there is just resetting the overall transfers that we're making from the General Fund to the STF, making a transfer of 17 percent in fiscal year 20 and 25 percent in fiscal year 21.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. And through you, we are changing those percentage rates from what to what?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Madam Speaker. Current law, the plan law was 33 percent and 56 percent.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Devlin.

REP. DEVLIN (134TH):

Thank you. So Madam Speaker through you, based on full year 20, how much money are we diverting in this budget from the Special Transportation Fund?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. Those items aren't currently in the Special Transportation Fund, they're in the General Fund. They were scheduled to go to the state -- the Special Transportation Fund, we're just simply changing the level of percentage that's going in there. The overall amount in FY 20 is $58.2 million.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So the amount that our taxpayers in the state of Connecticut anticipate
to go into the Special Transportation Fund in full year 20 based on the bipartisan budget was around $58 million and that will not be happening in this budget. Could the good Representative please tell us how much money will be diverted from the Special Transportation Fund in full year 21?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

   Representative Rojas.

REP. ROJAS (9TH):

   Through you Madam Speaker. I don’t know that it's being characterized correctly. There was money scheduled to go to the STF, it's not necessarily being transferred from the STF to the General Fund.

   Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

   Representative Devlin.

REP. DEVLIN (134TH):

   Thank you, Madam Speaker. And I understand what the good Representative is saying because it's more clear to people when we talk about sweeps from the Special Transportation Fund, which we heard in
the special -- in the Transportation Committee meeting from one of our good Senators that we do not do that. We do not sweep money from the Special Transportation Fund. We divert money before it goes in. Now if you ask OFA, they won't say diversion because it's a statutory change. But to the people to the state of Connecticut, promising money to go in whether you call it a sweep, a diversion, a drop on the floor, it is a broken promise.

So through you Madam Speaker, I would like to direct the good Representative's attention to section 375. And if he could please address beginning at line 14849, essentially what this does.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Madam Speaker. We're losing - we'll lose the cap on the amount of SBO Bonds that can be sold.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So we've had a lot of discussion about funding our transportation, which I think everybody in this Chamber, everybody in this building, probably everybody in the state of Connecticut believes should be a number one priority. What we haven't agreed is how we get to funding it. But could the good Representative provide the thinking, the rationale for this change in the budget?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. My understanding it was only a temporary measure that wasn't intended to be permanent and therefore it's being lifted.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.
REP. DEVLIN (134TH):

Thank you, Madam Speaker. And through you, for what reason would we need to make this temporary change?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. We intend to add Special Tax Obligation Bonds to fund transportation, therefore we're just removing what is otherwise an artificial cap.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. And through you, is there a reason that we need to remove the cap? Is there an anticipation of bonding more than $750 million in STO Bonds in full years 19 and 20 for transportation projects?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. If I remember correctly, I believe there's anticipation of bonding approximately $800 for transportation. Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. And would this make up for the $250 million that the Governor has diverted from the Special Transportation Fund in his proposal?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. I believe she's receiving to the $250 million in General Obligation Bonds that was intended to go to transportation.

REP. DEVLIN (134TH):

Absolutely.
REP. ROJAS (9TH):

I believe we're just making a policy decision to actually go back to our usual funding source of transportation, which are STO Bonds.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So I recall from the Commissioner of Transportation, when the $250 million in GO Bonding was pulled he issued dire warnings that projects would not be able to be completed. So I would anticipate then through you Madam Speaker, that the intent if in fact, in addition to the $750 million traditionally budgeted, potentially $800 that the department could in fact bond up to an additional $250 million.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):
Through you Madam Speaker. That's certainly possible.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So I find it a little bit puzzling that we are reducing -- proposing to reduce revenues to the Special Transportation Fund yet we are authorizing increased bonding. Could the good Representative please describe that?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. I believe the good Representative is referring to a reduction in the scheduled amount of General Fund money that's supposed to go to the STF and then this lifting of the bond so we could potentially bond more than $750 million if the cap calls for.

Through you.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. So that's exactly what I am talking about. If we're reducing the revenues and in the Special Transportation Fund, at least from the January consensus revenues it was about $1.7 billion and about $700 million of that was spent by the Department of Transportation. In all fairness about $400 million is for subsidies of our rail lines and our bus lines. The other $300 million was for operating expenses of the DOT. There was a small piece for operating expenses of the DMV, about $200 million in pension and fringe costs. Now keep in mind all of these expenses had been in the General Fund at one time but because the General Fund went into deficit, they were moved over to the Special Transportation Fund. So it leaves a chunk of about 40 percent or so for revenues for bonds. So if we're going to reduce the revenues into the Special Transportation Fund, how are we
bonding more?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. As long as the STF is solvent and funded we're able to float bonds from transportation.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. You know the people of the state of Connecticut for a long time have asked their legislature to take funding transportation seriously. Despite all of the abuses to the fund since it was created in 1984, as a result it was made statutory in 2015, yet still call them sweeps or diversions, promised money into the Special Transportation Fund didn't get there. And as a result, not even a year ago over 80 percent of
the voters in the state of Connecticut voted for a transportation lock box. Now those of us in this room really knew that the transportation lock box wouldn't do anything more than the Special Transportation Fund but the people of Connecticut were led to believe that. And what's interesting is there's a broad consortium of consultants and people with vested interest in the state of Connecticut taking a path toward funding our transportation through tolls and one of those paid consultants takes pride in the fact that they were able to get that referendum passed, because the people in the state of Connecticut also would say, oh we'd pay tolls if in fact we could have a transportation lock box, but we know the lock box isn't locked. And today we are showing that to the people of Connecticut again. That despite what this legislature says, they're going to do something else. Because in a technicality, it doesn't mean the same thing to us that it does to the people of the state of Connecticut.
So Madam Speaker, the Clerk is in procession of an Amendment. It is LCO 10635 and I ask that I be given leave of the Chamber to summarize.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Will the Clerk please call LCO 10635, which will be designated House Amendment F.

CLERK:

House Amendment Schedule F, LCO No. 10635 offered by Representative Klarides, Representative Candelora et Al.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative you may proceed with summarization.

REP. DEVLIN (134TH):

Thank you, Madam Speaker. It's time we walked the talk. If we're going to make or say transportation is the most important priority for our state, for economic development, for jobs, I think those were some of the sound bites that were
used in the consultant's proposal because they have said that the opponents were saying an alternative was just another huge tax, which it is.

So we owe it to the people of the state of Connecticut to make good on our promises, to fulfill our obligations, to provide the funding to the Special Transportation Fund that we have pledged, that we have voted on and that they expect. So Madam Speaker, what this Amendment does is will keep the transfers of revenue from the new car sales tax to the Special Transportation Fund as outlined in the budget we passed last year. You might remember that in the bipartisan budget, it was the first time that we agreed jointly to transfer the new car sales tax to the Special Transportation Fund 'cause we've been great at adding all expenses but not all sources of revenue. And just last year we decided it was so important we needed to accelerate that. So we added 8 percent of the new car sales tax to this year's budget. In 20 it is 33 percent. In 21, it would be 56 percent. In 22 it would be 75
percent until in 2023 we finally reach 100 percent. And in doing that, in order to come up with a way then to make up for those funds, what this Amendment does is eliminate funding of the Citizen's Election Program. It will sweep the balance of the fund into the General Fund providing $20.5 million in full year 20 and $11.5 million in full year 21. I know I do, probably most of us in this Chamber relay on that program and I've described it before as have others, that it looks like a piece of swiss cheese. There are so many holes put it in. We had the strongest election program at one time. And we do not any longer. This would also require that nonunion employees of the state take three furlough days. That will save us $4.5 million each year. It will also require a plan from the Contracting Standards Board that will save $25 million and $55 million by allowing competitive bidding. We propose adopting Governor Lamont's proposal to privatize the DMHAS services and that will provide $2.2 million in 2020 and $4.2 million in full year 21.
We also ask the Department of Administrative Services to take action to move now to streamline back room services. Let's been more efficient, let's modernize. We can save $5 million next year and $10 million the year after that. We also suggest eliminating a $4 million earmark that's outlined in line 7, 8 and 9 and also in lines 1 to 6 some additional funding that had been target for the University of Connecticut Health Center.

So Madam Speaker -- oh sorry, Mr. Speaker. I move adoption of the Amendment and I would ask when the vote is taken, it's taken by roll.

DEPUTY SPEAKER RYAN (139TH):

Question before the Chamber is on a roll call vote. All those in favor of a roll call vote please signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN (139TH):

I believe the 20 percent has been reached so when the vote is taken, it will be taken by roll
call. The question before the Chamber is adoption of House Amendment Schedule F. Will you remark further on the Amendment? Will you remark further on the Amendment? Representative Case.

REP. CASE (63RD):

Thank you, Mr. Speaker. A few questions to the proponent of the Amendment, through you Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Representative Devlin, prepare yourself.

REP. DEVLIN (134TH):

Thank you, Mr. Speaker.

REP. CASE (63RD):

Through you Mr. Speaker. So you talked earlier and I just wanted to get back to the point, what dollars are actually in the Special Transportation Fund as we sit here today? Through you Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Mr. Speaker. So what I can share with you is what was in the fund, so it might change
a little bit through -- from January consensus revenues and the revenues to the Special Transportation Fund account about $500 million in death tax. Over 90 percent, probably closer to 95 percent of that comes from the fuel tax, the 25 cent tax that we pay at the pump. There's an additional $331 million that goes into the fund through the petroleum growth excise tax. That's a tax that Massachusetts does not have, although they collect about the same amount of money in tolls, but we already pay that in the state of Connecticut and that is passed on. We also pay that at the pump.

In addition, we have some miscellaneous funds that come in through license fees and through different fees from the DMV. And if you give me a minute, Mr. Speaker. We also include some of the sales tax revenue including in 2019 8 percent of the new car sales tax. So all told, it is about $1.7 billion.

DEPUTY SPEAKER RYAN (139TH):

Representative Case.
REP. CASE (63RD):

Thank you Madam -- Mr. Speaker. And through you the Amendment in front of us is basically to do exactly what the people of the state of Connecticut voted on last November and put the dollars that we get in the state of Connecticut that are slated for the Special Transportation Fund, and put it in that box and lock it; is that correct? Through you Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Representative Devlin.

REP. DEVLIN (134TH):

Thank you, Mr. Speaker. That was a good summarization. The people of the state of Connecticut pay taxes and fees that residents of other states do not pay. They have other mechanisms for raising money. We, the people of the state of Connecticut already pay $1.7 billion to fund our transportation infrastructure. Now as I stated, there have been multiple, virtually every single expense related to transportation moved into the
Special Transportation Fund to be covered by those revenues but yes, to the good Representative, it is the expectation of the people of state of Connecticut that we are using that money to invest in our infrastructure.

DEPUTY SPEAKER RYAN (139TH):

Representative Case.

REP. CASE (63RD):

Thank you, Mr. Speaker. And I appreciate the answers from the good woman, the Ranking Member of Transportation. I just have to say, we worked hard in the past three years to get that Constitutional Amendment put on a ballot because we couldn't make that decision here to make the money stick into the Special Transportation Fund. Now it's a Constitutional Amendment that that money stays in a fund, not in a SIV where it can drain out. That money goes into a fund. If that money doesn't go into the fund we're going against the voters of the state of Connecticut.

   Mr. Speaker, I wholly support this Amendment
because it's what the people of the state of Connecticut voted on in November. I thank the good Representative and I look forward to the vote. Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Is there anyone else who would like to speak on the Amendment? Representative O'Dea.

REP. O'DEA (125TH):

Thank you very much, Mr. Speaker. I also rise in support of the Amendment. I know all of us -- or many of us use the Citizen Election Program. I have not in all my election efforts. I've saved the state over $110,000. I don't think this Citizen Election Program is necessary with a monocle of effort. I've seen opponents that run against me use money inappropriately in my humble opinion and so I think this is a good way to -- this money should go into the Transportation Fund. We do divert or we prevent it from going into the Transportation Fund inappropriately. We would not be in the condition we are -- our transportation system would not be in
the condition it is now if we had left the money that was targeted for our Transportation Fund. So I would ask my colleagues to support this Amendment. Thank you very much, Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Would anyone else like -- Representative Davis.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. Mr. Speaker, as the kind Ranking Member of the Transportation Committee mentioned, the people of Connecticut voted overwhelmingly for a transportation lock box. But within weeks, weeks, not years, not months, weeks after that election we had a Governor who proposed diverting the funds -- the very funds that were supposed to go into that lock box. The very funds. Then we had months to debate that. We're now here near -- over three months later after that proposal and yet the transfer of that money that was promised to go into the Special Transportation Fund is being removed. It is not going in there the way it's
supposed to go. Mr. Speaker, I believe that that flies in the face of what the people of Connecticut voted for back in November. They said money for the Special Transportation Fund is supposed to stay in the Special Transportation Fund and be used for transportation projects, but we who voted no on that language of the -- of the Constitutional Amendment knew that this very thing would happen. That given the very first opportunity made available, money that's supposed to go into the Special Transportation Fund would be diverted away and not used for transportation purposes. Instead, used for the many things that are in this Amendment. So once again, we're being told this is what had to happen. We have to do this. We have to take money and divert it from the Special Transportation Fund. There is no possible way to solve this budget crisis without doing that.

Well Mr. Speaker, this is how you can do it without diverting those funds. Mr. Speaker, if you believe that our transportation system deserves to
have the revenue that's intended to be used on it to go towards transportation causes then vote for this Amendment. If you think the Special Transportation Fund is just another example of something that can be diverted, to be swept, that the money that we're intending to send into the Special Transportation Fund in this instance, sales tax on the very cars that are going to be using the roads and bridges of this state that will be incurring the cost upon the state for these transportation costs. If you believe that we shouldn't be using that money for transportation, then vote against this Amendment. If you believe that we should find every way to sneak past what the people of Connecticut wanted us to do, voted overwhelmingly and in fact they put it into our State Constitution. If that's what you believe, then vote against this Amendment. But if you think that money should stay in the Special Transportation Fund, used the way it's supposed to do and not make that fund insolvent quicker than it needs to do it, then I think you should vote for
this Amendment. Thank you, Senator.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Would anyone else -- Representative Lavielle -- Lavielle, excuse me.

REP. LAVIELLE (143RD):

Mr. Speaker, thank you. That was very good Mr. Speaker, thank you very much. Of everything in this budget that we've discussed, this immediately stood out to me as the most egregiously contradictory thing in the whole document, all 572 pages of it. But even before then when we knew it was going to happen. We've been hearing for years, and years, and years that the gas tax revenues are going to disappear and that the Special Transportation Fund is going to sent down to nothing. The gas tax revenues have been pretty flat and they're projected to stay flat. And then we had this coming in, this transfer of the sales tax on new cars which made all the sense in the world and yet, suddenly it's being taken away. It was a great idea a couple of years ago. And as my colleagues here have all just aid,
we had argued and argued that the lock box wasn't strong enough when we put that Constitutional Amendment language in because the funds could be diverted. It was all good and well for the -- for the funds that were already in the lock box, they would stay there, but if they hadn't gone in yet they could always be prevented from getting there and low and behold, here we go.

But this is -- this is amazing. This is like crying fire in a crowded theater. Pull the funds out and then say we don't have any money left. And we've got to take desperate action because we don't have any money left. We've got the money, it's sitting there in the General Fund, all scheduled ready and waiting to go in. I've never seen anything like it. It's just an about face right in the middle of something that was starting to work. I don't understand it. I will never understand it and I don't think the people of Connecticut will understand it. I absolutely support this Amendment, Mr. Speaker. I can't imagine doing otherwise.
Thank you.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Would anyone else care to remark on the Amendment before us? Anyone else care to remark on the Amendment before us? If not will staff and guests please come to -- oh, I'm sorry Representative -- If not, will staff and guests please come to the well of the House? Will the members please take your seats? The machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER ARESIMOWICZ (30TH):

Have all the members voted? Have all the members voted? If all the members have voted, please check the board to ensure your vote has been properly cast. If all the members have voted the machine will be locked and the Clerk will take a
tally. Clerk will announce the tally.

CLERK:

House Amendment Schedule F.

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SPEAKER ARESIMOWICZ (30TH):

The Amendment is rejected. (Gavel) Will you remark further on the Bill as amended?

Representative Kokoruda of the 101st, Madam you have the floor.

REP. KOKORUDA (101ST):

Thank you, Mr. Speaker. Mr. Speaker, I do want to talk -- speak a bit about the budget but before I just want to make a statement. I've been here nine years and I think you know from time to time again we get under each other's toes but I think we're very considerate of each other. I found myself, and I'm not a high maintenance girl, offended today.
When someone implies that we take better care of some children in some towns than others, it is offensive to me. Every one of us wants the best for the children of Connecticut but we have a right to want the best for our constituents also. And I think it's offensive when people start passing judgement.

Passports to Parks is in one of my towns. I've got Hammonasset. I am so proud to see how many children now come to that park, children from all over the state. It's hardly a park -- it's hardly a benefit that children of specific towns benefit from and that's the way it should be. I represent the town of Durham. They don't have a community center. They don't have a swimming pool. They don't have a YMCA. They don't have a Boys Club. They don't have skating in Bushnell Park. They don't have swimming pools in their high schools. They have 7,000 people who just voted down their first community center in an old school because they can't afford it. So to hear that some people -- some children in some towns
are getting more; you've heard me talk about my grandson. He has autism. He has a full-time aid. He's 17. The state of Connecticut taxpayers pay $110 a year to educate him a year. We've accepted that. There are children in cities that we're giving $11,000 to a year. We've accepted that. But it's very offensive to have someone apply that children who have Passports to Parks Program have more than others. So I think the point of stopping so judgmental with these other's children. People in the state care for everyone, it's not perfect. I think people give millions and millions in state income tax, I think deserve better than to be accused of putting children above one town or another -- I was offended today, Mr. Speaker and I hope you understand.

Mr. Speaker, what I wanted to talk about today was just a couple of things. I did want to talk to the Special Transportation Fund point. During our debates I tried to explain to my town that loophole. They didn't get it. They believed the town -- the
state really means what they say. They don't read the fine print. But what I really want to talk about is small businesses. I feel small businesses in this budget as we heard from Representative Rutigliano are under attack. Our mom and pop liquor stores are now being asked to pay 10 percent more. They're being asked to pay more than Rhode Island, more than Massachusetts and remember we thought it was really important that they be opened on Sundays but now they're the most expensive. Mom and pop liquor stores will become like our pharmacies. It will just be the big, big box stores.

Also in the budget we are taxing interior designers and we heard today that 80 percent of interior designers are women. If you're going to put an addition on your house, you hire an architect, you hire an interior designer potentially and you might --

REP. DAVIS (57TH):

Yeah, you can't -- I cant hear the debate but --
SPEAKER ARESIMOWICZ (30TH):

The Chamber is getting a little noisy. Please take your conversations out in the hall, thank you. Representative Kokoruda.

REP. KOKORUDA (101ST):

Thank you, Mr. Speaker. As you know I have a temporary problem with my voice so I would really appreciate it if you could listen. I have an interior designer in Durham. During the recession she had a business in Glastonbury. She had something like 20 employees. It all went away. She has slowly piece by piece rebuilt her business starting in Durham. I believe she has -- she has a little less than a dozen employees. She opened -- just to stay alive, she has had to open up in Florida in Naples. This woman is a Durham girl. She loves her town. She serves on PNV. We were just at the Durham Fair celebration. She was probably running the show. She's a Connecticut girl. Her husband's a firefighter. Her kids work here. She said to me today, I had to open up in
Naples, Florida to stay alive. And two years a business that she's had for 12, in two years 58 percent of her business is in Florida. When I told her today what was going on she was aware. She came up and testified twice. Please don't tax interior designers. But isn't it interesting she pointed out, you're -- not that I'm suggesting Representative Rojas trust me; isn't it interesting architects, mostly male businesses are not taxed? Landscape designers mostly men, not taxed. But interior designers that we heard today is 80 percent of that business we picked out as a loser. They were one of our choices. So you're going to put an addition on. You're not going to pay taxes to get a design built in the addition, you're not going to pay taxes on getting all of the design work outside but if a designer comes in and buys some fabric and furniture for you, she's got to pay for that design and some taxes. So I just want to say this is -- these are Connecticut people that want to be here. We keep going after them. This budget is such an
attack on small businesses and isn't it interesting
Mr. Speaker, when we run for office we all run -- we
all run -- sorry, we all run on the fact that small
businesses are the engine of this state. And we all
run on wanting to be partners with our small
businesses. Then I have to ask you; when are we
going to stop being predators? When is the day
going to happen that when we're doing a Bill that's
controversial or whatever; that galley that we see
the same people night after night, that galley is
filled with small business owners that deserve our
support? We can't keep talking about it and not
doing it. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, madam. Will you remark
further on the budget -- on the Bill as amended?
Representative Abercrombie of the 83rd, madam you
have the floor.

REP. ABERCROMBIE (83RD):

Thank you, Mr. Speaker. Mr. Speaker, I rise in
support of this budget but I'm going to start by
saying, do I think this is a perfect document? Absolutely not. Do I believe with a $40 billion document you would get a perfect document? Absolutely not. But I will say is there is a lot to be proud of in this, and I'm just going to name a few of them.

Number one, MSP, Medicare Savings Program. We all sat here last year when it wanted to be cut and we all knew it would be devastating and we put it back in. Well we saved it this year ago. Nursing homes. We avoided a strike. Would have cost us a million dollars a day. Now there won't be any strike. Hospital, hospital agreement. Right now that saved us about $2 billion. $2 billion folks. And when we talked about businesses, we know in our districts for most of us, it's the biggest business in our district. So this was a good thing that we did. Teacher retirement. We heard from our communities that they didn't want to have to pay for the pensions. This no longer does that. Employment opportunities and trainings. Angel Investment.
We're investing in the small businesses, we're expanding that. Katy Beckett Waiver, Katy Beckett Waiver, best bang for our buck. We're taking 34 people of the wait list. So when people sit here and they talk about us not taking care of the people that we represent, I personally am offended by that. Because there's a lot of good in this budget. And I'll say it again. Is it a perfect document? Absolutely not, but there is no perfect document. So I urge my colleagues to vote for this and for anyone that would like some pointers on all the good things we did on this budget, please feel free to come and see me and I'll give you a master list. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, madam. Will you remark further on the Bill as amended? Representative Cheeseman of the 37th, madam you have the floor.

REP. CHEESEMAN (37TH):

Thank you very much, Mr. Speaker. And I have a few questions for the good Chair of Finance and
after that a couple of comments. It seems as though Representative Rojas is prepared. Representative Cheeseman, please proceed madam.

REP. CHEESEMAN (37TH):

Thank you, Mr. Speaker. I'm looking at section 389 repealing a provision requiring Appropriations to hold annual November public hearing and that that is now repealed. Could you explain why that is repealed? It appears to have no fiscal impact.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. I was not charged with drafting the repealer so I'm not entirely familiar with what this repealer is. I'd be happy to look it up and respond to her.

SPEAKER ARESIMOWICZ (30TH):

Representative Cheeseman, would you like to just pause to give the Representative --

REP. CHEESEMAN (37TH):

Yes, thank you. I'd be interested to know
because it seems to me that serves certainly a worthy public purpose and I'm not quite understanding why it's now not going to take place. I'd be happy to move on Mr. Speaker, or I will await an answer, whichever the Chairman would prefer.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Seems as though he and Representative Walker are working together on this one, so why don't you proceed to your next question while Representative Walker looks that answer up.

REP. CHEESEMAN (37TH):

Thank you. The next one relates to section 387, which is the repeal of the income tax credit for STEM graduates. I'm having trouble locating the fiscal impact of that, so I'd appreciate an answer on that and then I have a follow-up question.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):
Thank you, Mr. Speaker. Let me just get my documents in order. The value of that tax credit is $3.9 million in the first year and $7.9 in the second.

Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Cheeseman.

REP. CHEESEMAN (37TH):

Thank you. And I suppose I find it somewhat concerning that here are people who finished their degree programs. We were trying to provide an incentive for them to stay in the state. We're now putting in a debt-free college program. Are these people then going to leave the state as well? So it's just a philosophical point. I'm looking at section 380 that eliminates the State Employee Premium Account and I go on to read I guess the analysis that it's not quite clear where those monies are going to be deposited without an existing account so I just wondered on how -- how this is all going to happen if we've eliminated the account.
Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Could she just repeat what section she was referring to?

REP. CHEESEMAN (37TH):

Sure. It's section 380, which eliminates the State Employee's Premium Account. It has to do with the non-state -- the funding of the healthcare program.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. That is not a direct finance related item. It happens to be in the fine line section of the budget but I believe Representative McCarthy Vahey knows what that section of the Bill is.

Through you.

SPEAKER ARESIMOWICZ (30TH):
When Representative McCarthy Vahey comes back in we'll have her respond to that question, Representative Cheeseman.

REP. CHEESEMAN (37TH):

Okay. I will move on then. So sections 362 to 364 establish the debt-free college program and I'm looking at the people who are -- the qualifying students and this is probably better directed at the Chair of the Higher Ed Committee. Is anyone eligible for this program in Connecticut regardless of immigration status?

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH);

It seems as though Representative Haddad will be answering that question. Representative Haddad, you have the floor sir.

REP. HADDAD (54TH):

Thank you, Mr. Speaker. Through you Mr. Speaker. Apparently the questioner found someone in the Chamber to answer her question. (Laughing) I would say one of the qualifications for the debt-
free college program is completion of the FSFA application. The FSFA application is limited to US citizens only and so as currently constructed the Bill would not extend a benefit to undocumented citizens.

SPEAKER ARESIMOWICZ (30TH):

Representative Cheeseman.

REP. CHEESEMAN (37TH):

Thank you. That was my understanding from this so I appreciate the answer from the -- the Chairman. All right. My final question has to do with the CSP, to enhance sales tax collections in the state. I was curious, through you Mr. Speaker, if a platform such as Square and PayPal would be included. I know a lot of small merchants use them and I was curious as to what the qualifications will be to be included in this. Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I'm just getting to
the section of the budget. Okay, thank you. If she could just repeat her question.

SPEAKER ARESIMOWICZ (30TH):

Representative Cheeseman, Representative Rojas seems a little bit more prepared. Can you just repeat the question madam?

REP. CHEESEMAN (37TH):

All right. The section 331, which is implementing CSPs to enhance sales tax collection. And I wondered how those platforms were going to be chosen and if platforms such as Square and PayPal which are used by many small merchants would be included in the program.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Those particular companies are not detailed. The companies that do work at least with the streamline sales tax Governing Board which the Administration will
consult and include accurate tax, Avalara, Exactor, or Tax Cloud and Taxify. So those particular companies aren't included. I don't know that it occludes them from being included in this program in the future. I think the Administration will determine that over the next year.

Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Cheeseman.

REP. CHEESEMAN (37TH):

Okay. Thank -- I thank you for that answer. And I do find that somewhat concerning because just going down my main street there are merchants who are using these platforms like Square. They hook up to their tablet and do all of their transactions on that. Anyway, but I thank the good Chairman for his answers and I just -- I want to conclude. You've heard me on all the issues that have come before us that effects small businesses and how I feel. I was very emotional Saturday. I'm not going to be that emotional tonight because to be honest, it's not
going to make any difference.

We are looking at a budget, a legislative session that has put a huge burden not only on our small businesses but our nonprofit sector. I went back and looked at the public hearing testimony on issues like the $15 minimum wage, the Paid Family and Medical Leave, the Sexual Harassment and Sexual Assault Bill and all of the nonprofits said, hey guys, hang on. This is really going to present a burden for us. Were they human services? Were they YWCAs? Were they daycare? You name it, they said this going to be hard for us. So you as a state, you have to help us deal with this burden. I remember in the debate on the Paid Family and Medical Leave -- oh no, $15 minimum wage asking the good Chair of Labor what the response from the nonprofits had been; well it's going to be a challenge but they'll make do the way all families do. We're asking them to find a 25 percent cut in their budgets over the next 16 months. We're asking small businesses to face a burden, albeit worthy,
while they're doing their darndest to just stay alive. I looked at my town, young women and young men like Josh Hedursky and Kyle Liddick. One bought a butcher shop. One has expanded his antiques business. We're making it hard for them. We -- we passed great Bills to help our breweries and cideries so we -- but at the same time we're asking them to take up additional burdens. All great ideas, but all treating every business in the state as if they have unlimited resources and HR departments and compliance departments and legal departments. So yes, there are good things in this budget but I think the things that we have done in this budget and outside this budget put too much of a burden on the 340,000 businesses in Connecticut that supply 80 percent of the jobs and the nonprofits that every day serve the most vulnerable, the most needy, the people we should be taking care of. So I thank you for your attention, Mr. Speaker and unfortunately I'm not able to support this budget. Thank you.
SPEAKER ARESIMOWICZ (30TH):

Thank you very much, madam. Will you remark further on the Bill as amended? Representative Ferraro of the 117th, you have the floor sir.

REP. FERRARO (117TH):

Thank you, Mr. Speaker. I have to admit tonight is a little less exciting than the -- the Golden State Warriors and the Toronto Raptors basketball game was last night. But as I'm sitting here and listening to the debate I'm flashing back to previous budget debates and I'm hearing almost deja vu over and over again. I certainly respect the gentlelady across the aisle who explained the good things in the budget. Obviously no budget this size could possibly be written without some of the things in it being good and I would certainly like to thank the folks that put the hours in necessary to put a budget like this together. I know how hard they worked and I know their work is never done. And no one is ever completely happy and you have a lot of people who criticize and that's basically what our
side of the aisle does because as you know, Mr. Speaker our major complaint is we often don't get to sit at the table and get to the final portion of the budget. While we do participate in Committees, when the budget is actually put together our leadership is apprised of the final budget after it's done. And so we are given in many cases one day to sit down and read 567 pages, look through various sundry programs, try to make some sense of it. We get a couple of hours of caucus where leadership can explain some things we don't understand but at the end of the day I don't think any of us fully understand the 560 page budget except for those people that worked on it day in and day out.

My case, I've heard a lot of people talk about a lot of different areas of the budget. I really don't want to repeat what's been said but I do want to drill down a little bit on section 80 of the budget beginning on line 1057 where the budget calls for an increase in the number of PURA Commissioners from three to five. Being the Ranking Member of
Energy and Technology Committee, I've had the opportunity to work and meet with our current Commissioners and I might say that each and every one of them are highly qualified individuals. In fact currently we confirmed the newest member to the PURA Commissioners, Ms. Melissa Gillette and I was very impressed with Ms. Gillette. She came to us from Maryland. She was a lawyer who served on the Energy Storage Trade Association and she was a Senior Advisor to Maryland's Commissioner of Public Utility Regulations. The other two PURA Commissioners are equally qualified, Mr. Jack Makowski. He's internationally celebrated because of his long tenure and his experience. And Mike Herron rounds out the team and he served on numerous energy-related counsels and boards prior to his appointment.

And prior to this budget I had never heard the current makeup of the PURA Commissioners expressing that they weren't able to handle the workload of the agency. So through you Mr. Speaker, I do have a
question for the proponent of the Bill.

SPEAKER ARESIMOWICZ (30TH):

Please proceed, sir. And is this question is for Representative Rojas?

REP. FERRARO (117TH):

I would say this probably goes to Representative Walker, sir. Thank you.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker?

REP. FERRARO (117TH):

I believe.

SPEAKER ARESIMOWICZ (30TH):

Okay. Representative Walker, please prepare yourself. Please proceed, sir.

REP. FERRARO (117TH):

Thank you, Mr. Speaker. And through you Mr. Speaker to the good Representative. Do -- how many dockets does PURA currently handle per year?

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):
Through you Mr. Speaker. I -- I do not know. The circumstance for this -- this expansion was done by request from them. They asked us to make this expansion, so I don't know how many dockets they do, sir.

SPEAKER ARESIMOWICZ (30TH):

Representative Ferraro.

REP. FERRARIO (117TH):

I thank the gentlelady for that. I really kind of asked it because I had looked it up prior to asking her, and I did want to get it into the record that last year there were approximately 500 PURA dockets that were brought forward. And does the good Representative know how many PURA employees are currently employed through the agency?

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker. I do not know how any employees.
SPEAKER ARESIMOWICZ (30TH):

Representative Ferraro.

REP. FERRARO (117TH):

Thank you, Mr. Speaker. And again after looking it up, it said there were 61 employees at PURA. And when I look at the number of dockets that PURA has and I look at the quality of the Commissioners that we have currently at the agency, I really have to ask why do we need to add two? I understand that the good gentlelady said that the request came from the current Commissioners but I have to wonder you know, what -- what is the need? What -- how did the question come to the Committee for the two extra Commissioners? What was the need that was expressed?

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Through you, sir. I do not -- I did not get into the conversation. It was presented to us -- to
the Chair of -- the Senate Chair of Approps and me and the request was that we would like to expand the Commissioners.

Through you, sir.

SPEAKER ARESIMOWICZ (30TH):

Representative Ferraro.

REP. FERRARO (117TH):

Thank you, Mr. Speaker. And through you and continuing on with that. Was there any -- could the gentlelady across the aisle tell me if there was any discussion as to what the responsibilities of the two additional Commissioners would be tasked to do?

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Through you. No, the request was the fact that they needed help in managing their dockets. I do not know why they actually asked for this. Through you Mr. Speaker.
Representative Ferraro.

REP. FERRARO (117TH):

Through you Mr. Speaker. Because if we go from three Commissioners to five we're basically asking for a 66 percent increase in the administrative branch of PURA and I was just wondering if there was any discussion in anticipation that the workload of PURA was going to increase by over 50 percent from what it is this year?

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Through you Mr. Speaker, no.

SPEAKER ARESIMOWICZ (30TH):

Representative Ferraro.

REP. FERRARO (117TH):

Thank you, Mr. Speaker. And I did look up what the starting salaries were for Commissioners of PURA and it's currently listed at $135,000. That's a pretty sizable salary. And as we know, the benefit
package adds to the cost of an employee to the
taxpayers and previous discussions in this room
during this session have brought up a figure of 80
percent of one's salary, which would increase the
total salary and benefit package per Commissioner to
about $243,000 or for both of them approximately
half a million dollars per year. And I'm thinking
that this budget as we're looking at every penny,
we're looking to find places to cut, we're looking
to find places where we can increase revenue, but
then here we add two new employers at the
administrative level at a time when I don't really
think the workload is expected to increase anywhere
near the 66 percent.

And we also have to look at our energy cost
here in the state of Connecticut. Connecticut is
the most expensive state in the nation for consumers
and the recent analysis by Wallet Hub out of
Washington, DC said that Connecticut residents are
paying an average of $380 per month in energy costs,
which makes them number one in the country. The
analysis used a special formula which they put together in various energy types, electricity, natural gas, motor fuel, home heating oil, etc. and it turns out the Connecticut residents are actually paying on an average of $48 more per month than the consumers from the second most expensive state, which is Alaska. Residents in Washington state are the least expensive state in terms of overall energy costs and they pay an average of about $154 a month -- per month less than we pay here in Connecticut. So with electric costs as expensive as they are and putting on two new Commissioners in -- in PURA agency, I find that without showing where the need is, I wonder if these type of policy -- these type of appointments are more political than necessary. And in a budget such as this if the workload of PURA was going to increase to the degree that we would need two new Commissioners, I think we would spend -- be better served hiring more worker bees and putting more people in the agency that actually do the work and have to shoulder that burden. So I
really in this scenario don't see the need to increase the agency's administrative department. I see zero need actually for additional Commissioners and the cost of adding these Commissioners.

This budget that we've been talking about today spends more, has more taxes, borrows more, raises taxes on our small businesses, has a number of gimmicks and also has plenty of pork in this -- in this -- in this budget. So I don't have a -- you know we were thinking about putting in an Amendment forward on this but as you can see, our Amendments usually aren't that successful and in the interest of time, I just want to bring this up and make a point that we're hiring people across numerous agencies with some of the programs that we're bringing into play. We're going to be creating a new transit authority for our tolls. We're going to be hiring more people to handle the Paid Family Leave Program and so these salaries and these benefit packages are costing the state a tremendous amount of money and I think we need to really be
more cognoscente of some of these positions that we're adding.

Through you Mr. Speaker, that's all I have to say. Thank you.

SPEAKER ARESIMOWICZ (30TH):

Thank you, Representative. Representative Davis of the 57th, sir you have the floor. Representative Cummings of the 74th, you have the floor ma'am.

REP. CUMMINGS (74TH):

Thank you, Mr. Speaker. Mr. Speaker, the current proposal of the budget sets forth the creation of the Partnership for Connecticut, which is funded by nonprofit monies as well as matching funds from the state taxpayers. The current language, however, excludes the organization and the membership of the Board of that organization from FOYA, from state contractor provisions and from the ethic requirements. The language is pretty ambiguous as well in requiring that elected officials be subject to the three items that I just
mentioned. Therefore Mr. Speaker, the Clerk is in procession of an Amendment LCO 10644 and I ask that the Amendment be called and I be allowed to summarize.

SPEAKER ARESIMOWICZ (30TH):

Will the Clerk please call LCO NO. 10644, which will designated House Amendment Schedule G?

CLERK:

House Amendment Schedule G, LCO No. 10644 offered by Representative Klarides, Representative Candelora et Al.

SPEAKER ARESIMOWICZ (30TH):

Excuse me. The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection? Is there objection? Hearing none, Representative please summarize the Amendment.

REP. CUMMINGS (74TH):

Thank you, Mr. Speaker. Mr. Speaker, this Amendment makes the Partnership for Connecticut Incorporated and its board members subject to the ethic requirements under chapter 10 of our statutes.
The state contractor requirements under chapter 9-612 and subject to the Freedom of Information Act under chapter 14. Further it requires reporting on the profit and loss statements, the cash balance, the itemized expenditures and the grant awards semi-annually from this organization. Mr. Speaker, I ask that when this Amendment be called, it be called by roll. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you, Representative. When the vote is taken it will be taken by roll. Any further comments on the Amendment? Any further comments on the Amendment? Representative, please proceed.

REP. CUMMINGS (74TH):

Thank you, Mr. Speaker. Mr. Speaker, this Corporation was developed as a collaboration between philosophic efforts in the state of Connecticut. However, when this organization is funded by $20 million of taxpayer funds we should make sure that we are demanding transparency, particularly for all of the elected officials that are currently going to
be serving on the board of this. I urge my colleagues to support this Amendment. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you, Representative. The question before the Chamber is adoption of House Amendment Schedule G. Any further remarks on the Amendment? Any further remarks on the Amendment? If not will staff and guests please come to the well of the House? Members please take your seats and the machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

DEPUTY SPEAKER RYAN (139TH):

Have all the members voted? Have all the members voted? Will the members please check the board to ensure your vote has been properly cast? If all the members have voted the machine will be
locked and the Clerk will take a tally. The Clerk will announce the tally.

CLERK:

House Amendment Schedule G.

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DEPUTY SPEAKER RYAN (139TH):

The Amendment fails. (Gavel) Will you remark further on the Bill as amended? Representative Carney of the 23rd, sir you have the floor.

REP. CARNEY (23RD):

Thank you very much, Mr. Speaker. I just wanted to briefly talk about, a little bit about this budget and my concerns about it. You know I ran for office back in 2014. I was only 29 at the time when I decided to run. I've aged a lot obviously in the last five years obviously. I did
have hair back then, but one of the reasons I actually ran was to try --

DEPUTY SPEAKER RYAN (139TH):

Excuse me, Representative. Can I ask the Chamber quiet down so we can hear the Representative make his remarks? Representative please proceed.

REP. CARNEY (23RD):

Thank you very much, Mr. Speaker. So when I ran back then one of the reasons I ran was to certainly try to improve the future economy of the state of Connecticut for folks younger than me. You know, many of my colleagues have brought their children into the Chamber this week and it's great to see them but I'm concerned about what the state of Connecticut budget will look like for them when they're older. And once of the great concerns I have in this budget is certainly the re-amortization of the Teacher's Retirement Fund. I understand why it's in the budget but I think we're doing with it what many folks prior to us did, which is why we're in the situation we're in. You know, kicking the
can down the road on the State Employee Pensions, kicking the can down the road on the Pass on the Teacher's Retirement and then other things like that. As we've all said, both parties are responsible for that but we know it was a problem. We know it's lead to outrageous debt in the state of Connecticut and by doing this we will be actually adding according to the Connecticut mirror -- potentially adding $27 billion onto future debt payment for those folks who are just being born or are in their early ages of life if they choose to stay in the state of Connecticut which they may not when they get older.

Other things in there that concern me about younger folks, is certainly the new digital download tax raising that to 6.35 percent. That really will effect things that younger folks do and will cost them more money. I think that a better alternative certainly is to try to find spending decreases in our budget to try to show the future that we are making an effort to try to make this state better
for them. I want to make this state better for them. I hope by 2049 when these teacher's retirement costs -- who knows they could balloon again; I certainly hope I'm not still here in the Chamber. I hope none of us are, then we'll be here far too long, but I hope our economy is in good shape. I do have concerns about that though.

I also have concerns about next fiscal year and pushing things off. Again I keep -- it seems like a theme, kicking the can down the road. In the next fiscal year we already put in there that the OPM secretary must find at least $50 million in fee increase. You know fee, tax, tomato, tomatto, you know call it what you want, a tax fee same thing. And by looking for that great number of an increase we will actually be hitting the middle class. You know we talk about the various classes in the state but a lot of those fees will probably hurt the middle class more than other folks, so I am concerned that we are kicking the can down the road on that and asking for additional taxes next year
already. So with that, Mr. Speaker the Clerk has an Amendment. It is LCO 10652. Would you please ask the Clerk to call it and I be allowed to summarize?

DEPUTY SPEAKER RYAN (139TH):

Will the Clerk please call LCO 10652, which will be designated House Amendment Schedule H?

CLERK:

House Amendment Schedule H, LCO No. 10652 offered by Representative Klarides, Representative Candelora et Al.

DEPUTY SPEAKER RYAN (139TH):

The Representative seeks leave of the Chamber for summarization. Is there objection to summarization? Is there objection? Hearing none, please Representative Carney, you may summarize the Amendment.

REP. CARNEY (23RD):

Thank you very much, Mr. Speaker. So basically what this Amendment would do is it would take that section, section 368 which asks OPM to come up with $50 million which is the lowest amount they should
come up with; $50 million, take that out and instead put various spending cuts into the budget, many effecting next fiscal -- or fiscal year 2021 and it will achieve the savings we need in order to not have this section in there. I move adoption of the Amendment and I ask that when the vote is taken, it be taken by roll.

DEPUTY SPEAKER RYAN (139TH):

The question before the Chamber is adoption of House Amendment Schedule H and there's a request that when the roll call be taken it be taken by roll. All those in favor signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN (139TH):

I believe the minimum of 20 percent has been met so when the roll -- when the vote is taken it will be taken by roll. Will you remark further on the Amendment? Representative Carney.

REP. CARNEY (23RD):

Thank you very much, Mr. Speaker. So like I
said this essentially removes section 368 so it
takes out the -- the $50 million or more that OPM
has to find in fee increases which will negatively
effect business folks and middle class people in the
state of Connecticut and instead will find funding
cuts. Some of those things I might say, you know
the Governor put in here a section that would allow
him to not take a salary. That was a very generous
offer by the Governor and I think the legislature
should give a little back too so it eliminates
funding for the Citizen's Election Program. I think
we could do that on our own. It requires three
furlough days for nonunion employees. You know a
lot of folks in this Chamber feel the union folks
have given a lot so we're asking nonunion employees,
many political appointees who get very generous and
benefits, asking them to take three furlough days.
It requires us to adopt Governor Lamont's proposal
to privatize certain DMHAS services, consolidate
certain back office savings, requires a procurement
plan from the Contracting Standards Board. What
they said, if they put a plan in place they could save about -- over $200 million by changing the way we do contracts in the state of Connecticut, and longevity contracts. That would save about $25 million. It eliminates certain pilot funding for the town of Middletown. It eliminates funding to UConn Health Center's Bioscience Program and it implements a hard hiring freeze starting next -- or fiscal year 2021. On the campaign trail I heard a lot about hiring in the state of Connecticut and why we really need to cut back in our hiring and our spending. So I do urge adoption of the Amendment. Thank you very much, Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Will you remark further on the Amendment before us? Will you remark further? Representative Davis, please proceed, sir.

REP. DAVIS (57TH):

Thank you, Mr. Speaker. I stand in support of this Amendment. As discussed previously in the debate there would basically two reasons why you
would put this in budget. You would either have the full intention of raising fees and permits costs on licenses for small businesspeople, for the nurse who wants to go to work or Jimmy the plumber who wants to a plumber or Harry the electrician. Any of these people would be paying more under these fee increases. So either that's what you want to do or you're just making up a number, throwing it in the budget and never actually intending to actually do it in order to try and balance that budget. We were told that that was actually not the case, they actually intended to raise at least $50 million in license fees. Well Mr. Speaker, yet again another Amendment that shows that you don't have to do that. There are other ways to close this budget gap without doing that, without raising license fees on individuals trying to do business here in the state, trying to even just go to work whether you're a phlebotomist or esthetician or tattoo artist or any of those other licenses that are out there. We don't have to do that Mr. Speaker. We can do this
Amendment instead. So if you reject this Amendment you're essentially saying you think each one of those people that have a license in the state of Connecticut, they deserve a little bit more and quite frankly Mr. Speaker, I don't think they do. Thank you.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Will you remark further on the Amendment before us? Would you stand if you care to remark further on the Amendment before us? If not will staff and guests please come to the well of the House. Members please take your seats and the machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

DEPUTY SPEAKER RYAN (139TH):

Have all the members voted? Have all the members voted? Will the members please check the
board to ensure your vote has been properly cast? If all the members have voted the machine will be locked and the Clerk will take a tally. The Clerk will announce the tally.

CLERK:

House Amendment Schedule H.

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DEPUTY SPEAKER RYAN (139TH):

The Amendment fails. (Gavel) Representative Zawistowski of the 61st, ma'am you have the floor. Will you remark further on the Bill before us amended? Representative Zawistowski, sorry.

REP. ZAWISTOWSKI (61ST):

Thank you, Mr. Speaker. A lot of us in the legislature have had experience in municipalities whether on a town council, Board of Finance, Board of Ed. My particular experience is on the Board of
Finance and at that point I really got a good feel of how difficult it is to balance a town budget. Part of the problem is the number of state mandates that the towns have to deal with. It was really interesting; I just learned this year that the Connecticut Commission on Intergovernmental Relations requires a report to come to the legislature every four years listing the number of municipal mandates that there are. I looked up the most recent report which was 2014 and there was 545 pages in that report, which is an incredible number of mandates. Now some of these mandates are good, some of these are bad. Most of them are probably unnecessary but our towns have to deal with all of them. And they are very costly when they don't -- when the state doesn't require the funding. On the top of the mandates this year we've added now the -- the increase in the minimum wage. Between the increases in the next four years and then beyond that index forever, these are things the towns are going to have to deal with as well. OFA actually
did a study of the cost to towns from an increased minimum wage large cities, 800,000 to a million all the way down to small towns of 50,000 so there's a whole range of them. And OFA only included the actual cost for minimum wage and did not include the compression factor for wages as well. This is going to lead to a loss of programs for the towns. A lot of the -- especially a lot of the summer programs intended for youth. So between the unfunded mandates and the increase in minimum wage the towns are having a tough time. They are struggling. They're continuing to have to do more for less.

Mr. Speaker the Clerk has an Amendment. It is LCO 10637. Would you please ask the Clerk to call it and I be allowed to summarize?

DEPUTY SPEAKER RYAN (139TH):

Will the Clerk please call Calendar -- I mean LCO No. 10637, which will be designated House Amendment Schedule I?

CLERK:

House Amendment Schedule I, LCO No. 10637
offered by Representative Klarides, Representative Candelora et Al.

DEPUTY SPEAKER RYAN (139TH):

Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative You may proceed with summarization.

REP. ZAWISTOWSKI (61ST):

Thank you, Mr. Speaker. This -- this Amendment would increase municipal age. It would increase it by 2.5 percent for this -- fiscal year 2020 and another 5 percent for fiscal year 2022 -- 2021. There is offsetting savings that we have come up with that is in the Amendment including furlough days, contracting standard boards to develop a procurement program and a lapse to for DMHAS privatization, which was in the Governor's budget, eliminate the $4 million in supplement pilot payments to Middletown, require DAS to -- to expand agency participation in the SMART program, eliminate bioscience funding -- additional bioscience funding
to UCHC and a hard hiring freeze. That is basically what we're looking at. The -- and Mr. Speaker, I move adoption of the Amendment, then I ask that the roll -- the vote be taken by roll.

DEPUTY SPEAKER RYAN (139TH):

The question before the Chamber is adoption of House Amendment Schedule I. It's been requested that that roll be -- the vote be taken by roll and that will be the way it will be. Any further comments on the Amendment? Any further comments on the Amendment? If not, Representative Zawistowski.

REP. ZAWISTOWSKI (61ST):

Yes, I just wanted to summarize it -- to add to this. Municipal budgets are really tight and if they do not get additional funding they're looking at tax increases or cuts in services. We're already the second highest tax -- highest property taxes in the country. This would do a lot to help. Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN (139TH):

Thank you, Representative. Will you remark
further on the Amendment before us?  Representative Rosario?  Hearing none -- any further remarks on the Amendment?  Hearing none, will the staff and guests please come to the well of the House.  Members take your seats.  The machine will be open.  (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber.  The House of Representatives is voting by roll.  Members to the Chamber.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Have all the members voted?  Have all the members voted?  Members please check the board to be sure your vote is properly cast.  If all members have voted the machine will be locked and the Clerk will take the tally.  Clerk will please announce the tally.

CLERK:

House Amendment Schedule I.

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<td>76</td>
</tr>
</tbody>
</table>
Those voting Yea 60
Those voting Nay 90
Those absent and not voting 1

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Amendment fails. (Gavel) Will you remark further on the Bill as amended? Representative Klarides-Ditria of the 105th.

REP. KLARIDES-DITRIA (105TH):

Thank you, Madam Speaker. I have a couple of questions and a comment to the proponent of the Bill.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Go ahead madam.

REP. KLARIDES-DITRIA (105TH):

Am I correct in saying, quoting that you or the Governor saying after raising state income tax in 2009, 2011 and 2015 that Connecticut's economy could not absorb another increase?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.
REP. ROJAS (9TH):

Thank you, Madam Speaker. I didn't quite hear the question that she was asking, if she could repeat the questions.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Members, please quiet down or take your conversations outside. The Chairman of Finance cannot hear the question. Go ahead, Representative.

REP. KLARIDES-DITRIA (105TH):

Through you Madam Speaker. Am I correct in quoting that you or the Governor said that after raising the state income tax in 2009, 2001, and 2015 that Connecticut's economy could not absorb another increase?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

I think that one's aimed for your Representative Rojas.

REP. ROJAS (9TH):

Sure I -- through Madam Speaker, I have no recollection of myself saying that. It's certainly
possible that the Governor may have.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Klarides-Ditria.

REP. Klarides-Ditria (105TH):

Through you Madam Speaker. So to that question, if in fact the Governor did say it or yourself, the alternative to this is all these increased taxes to services?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

I'm sorry, if she could just repeat that one as well.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Madam, could you clarify that question?

REP. Klarides-Ditria (105TH):

Sure. Through you Madam Speaker. If we're not increasing our income taxes, is the alternative
increasing taxes to services on the residents on the state of Connecticut?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. There are some limited increases on taxes to services included in this budget.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Klarides-Ditria.

REP. KLRIDES-DITRIA (105TH):

Thank you, Madam Speaker. So this alternative option to raising the income tax is more taxes for restaurants, more taxes on plastic bags, liquor excise tax, drycleaners, interior design, home rentals, parking, digital goods but on top -- on top of this FMLA and minimum wage to our businesses that can -- cannot handle anything else?

Through you.
ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. I believe I'm hearing an opinion and I guess I can agree or disagree with it. I'm not quite sure if there's a question in there. Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Klarides-Ditria.

REP. KLARIDES-DITRIA (105TH):

Through you Madam Speaker. I'll continue for a comment. If you have a family in the state of Connecticut that's trying to make ends meet and leaving paycheck to paycheck, they want to take their family to McDonald's after they take their kids to their softball game but they have this 1 percent restaurant tax, our families are running so close to the cuff with the monies that they have, this might make the difference for them not being able to go out to dinner once a week with their family. We cannot get away from taxes here in
Connecticut. Wherever your turn, as my colleague from the 68th district said, you get a tax, you get a tax, and you get a tax. I don't care what you call it, a tax, a fee, a toll perhaps, it's less in our pocket.

Through you Madam Speaker to the proponent of the Bill. The state of Connecticut has made changes to the SURS Plan but what about making changes to the MERS Plan, the Municipal Plan for new hires?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Madam Speaker. There was nothing that I'm aware of that was proposed in the budget that had to do with the MERS Plan. I know there have been Bills in the Planning and Development Committee in the past, which I have supported. But I'm not quite sure there's anything in the budget that's specific to the MERS Plan.

Through you.
Representative Klarides-Ditria.

Through you Madam Speaker. Then I urge the Chamber to reject this budget and to look further into making these changes to the MERS Program for the municipalities in the state of Connecticut. Thank you, Madam Speaker.

Thank you, madam. Representative Mastrofrancesco of the 80th.

Specifically to grants. Through you.

Please prepare.

Specifically to grants. Through you.

Assistant Deputy Speaker Mushinsky (85th):

Through you.
Probably Representative Walker. Go ahead ma'am, please ask your question.

REP. MASTROFRANCESCO (80TH):

Thank you, Madam Speaker. Through you specifically to the grants, can you tell me what the process is for applying for these grants?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. Could you ask the gentlelady what grants is she talking about?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you. Through you, let me find the page. I am specifically talking about the -- the amounts on line 454.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.
REP. WALKER (93RD):

I'm -- excuse Madam Speaker. On page or line? Could you ask the gentlelady to give me a little bit more specifics? Thank you.

Through you Madam Speaker.

REP. MASTROFRANCESCO (80TH):

Sure. Through you Madam Speaker. It begins on lines 545, section 48, the following amounts appropriated in section 1 of this acts as the Judicial Department for youth services prevention, etc.

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. Those grants are decided through many of our members in the black and Puerto Rican caucus. They go out and talk to the people in the communities and work with them to try and develop the grants and then they come in and they complete them.
Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANESCO (80TH):

Thank you and through you. And can you tell me what -- what is the qualification to being approved for one of these grants?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. The grants that -- that -- the youth service grants are done, they're nonprofit. All of the organizations are nonprofit. They have to serve children in their -- in their community and they have to be evaluated at the end to find out how many kids they worked with, what were the outcomes and basically are we better off after we've funded these programs.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):
Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you for answering that question. And through you, is there any documentation they have to show like credentials or financial requirements for the nonprofit they are running as a requirement?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Yes, Madam through you. They're all 5013c and they all have to present those -- the documents when they -- when they complete the application for the -- for the funding. They also have to demonstrate their capability and that's how we do the grants.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you and through you. So are these grants the same year over year for the same nonprofits or
will next year or two years from now these
nonprofits will go in and there will be a new set of
nonprofits receiving grants? Or are they renewable
every two years?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Yes, through you Madam Speaker. The grants are
not guaranteed. They are reviewed. Many -- many
grants have changed over because people have been
dissatisfied with their outcomes or what have you.
They evaluate them and there are some that have been
able to survive but most of them change each time,
each year. Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you. And thank you, Representative for
answering my questions. I just -- a couple of them
I was just kind of going through the list and there
was just a couple of them I have a few questions on. There's one of them called the Lift Foundation. I believe they are located in Norwalk.

Through you Madam Speaker, can you tell me anything about that nonprofit? Would you know?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Thank you, Madam Speaker. No, I do not.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you. And the reason I was asking about credentials for these businesses or nonprofits because when I looked up, I saw this company called the Lift Foundation. It said they had one employee; their revenue was about $17,000 but yet we are giving them a grant for $45,000. Apparently the owner is the owner of a recording studio, so I was just curious as to what they were really going to do with the grant money that they received. Would you
know that? Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. These are organizations, they're small organizations in each one of the communities that we are looking at. As far as the requirements are concerned, people are evaluating. More than likely that is a program that is done in the afternoons for kids, like an after-school program. They provide them with the ability to do recordings, to learn about music to find out how to do it. That is one of the -- the criteria. It's after-school programming or day programming or weekend programming that is provided for kids that have a complete structure or direction.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you and through you Madam Speaker. The
other one I have question about, the grant is not a lot, it's only $5,000 but I was very intrigued by the name of the nonprofit and that is called Divas on the Move. Would you be able to tell me through you Madam Speaker, what does, or what do Divas on the Move do to earn a $5000 grant from our taxpayers?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you, Madam President. That program is from West Haven. That program works with girls who are looking to go to college. They walk them through the -- some of the issues. They help them prepare for SATs, they do interview skills and things and I have been at some of the programs and dinners that they've had with the families. It is a very good program.

Through you Madam Speaker.

DEPUTY SPEAKER MORIN (28TH):
Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you. And thank you for clarifying that. I was very concerned because when I go on the internet and I go to their website, their focus and their goal is to teach girls how to become sophisticated so thank you for clarifying. Are you telling me that that is incorrect?

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

I'm sorry, could the -- could the gentlelady please repeat that question?

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you. I'm glad you clarified that, that they're trying to get prepare these girls for school and so forth. When I go onto the website and when I did the research, it said that they teach girls how
to become sophisticated. That is their primary goal and their focus so through you Madam Speaker, I was wondering is that information on their website accurate?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Through you Madam Speaker. I think that we are being -- I'm going to mark my words on these. The program provides activities for the young ladies who are trying to move on in life. They are going to school and we want to move them and sophistication is sometimes a term that is used that -- that is synonymous with maturity. Teaching them how to make smart moves in their lives.

Through you Madam Speaker.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you, Madam Speaker. I'm clearly not
mocking the program by no means. I think it's great and nonprofits can certainly offer whatever programs they want. I just was stunned when I read on their website that it was to teach girls how to be sophisticated and if that is reason there is a picture of some -- somebody I think they were trying to balance on their head, they're trying to learn different moves on that. I think you know; you may not think $5000 isn't a lot of money and it probably isn't to our state. It's really a drop in the bucket when you look at the billions of the dollars that we spend. But you know people are struggling every day and so for us -- our taxpayers to spend even a dollar for something like that to me is wasteful spending. I think there are more important things that our money can be spent on. I'm sure the program is great and I'm sure these girls enjoy it but to teach girls how to be sophisticated, unless somebody can prove to me that I'm wrong, I look at a whole list of these -- these grants that we are handing out, I don't know who they are, I don't know
where they're located, I don't know anything about their financials. We know nothing. We are just given a document with figures on it. So rightfully so, I have a right to ask these questions. And personally I would like to know the information in detail on every one of these people, every one of these nonprofits that we are giving money to because they are taxpayers money. There are 115 of them and I believe the total of these earmarks is somewhere about $3 million. I'm not sure if that is the correct total. Through you Madam Speaker. Can you tell me what the total is of all these earmarks or grants?

Through you.

ASSISTANT DEPUTY SPEAKER MUSHINSKY (85TH):

Representative Walker.

REP. WALKER (93RD):

Yes, through you Madam Speaker. Let me first - - the definition of sophisticated is a person who is altered by education experience to be wise and worldly, not naïve so that they can have a positive
experience in life. These are words that our kids need to understand and that is important. Those kids are kids that are struggling like all of them in the programs. Yes, everyone has a right to ask questions. There is absolutely no if, and, or buts about it. Transparency is very clear. But when you start to nitpick on the names of programs.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH):

Thank you and through Mr. Speaker and thank you for answering those questions. I wasn't really nitpicking. The names come out to me so I want to ask questions on them. You know during any of these Committee meetings that we have we're often said that, why are you digging into those questions and why are you asking so many detailed questions? Because we want to know. This is our budget. This is taxpayer’s money. We have a right to answers of those questions. So if there -- if it's an uneasy
question, I apologize but certainly just doing my job for my constituents and the taxpayers.

Just one more comment 'cause I know other people want to talk and I probably went on longer than I had. As a new State Representative, I've learned a couple of things. I've learned what within available appropriations means and for any new Representative here, they probably could agree with me that during the Committee process there is a dollar figure that they put in there but when it gets to the floor here, they don't want people to vote on that dollar figure so they say within available appropriations and the next thing you know that -- so it's palatable for people to vote on it so they can say well, it's within available appropriations, it's a safe vote. And then the next time you see it, that dollar figure is in the budget. It's kind of backwards to me. So I just wanted to -- to thank you for answering my questions. You know just a few comments and I think Representative Klarides really summed it up good
talking about the mandates on the businesses with the Paid Family Medical Leave and minimum wage increases, the additional taxes that they have to pay and for our taxpayers of Connecticut, the additional taxes they have to pay. Their mill rate will probably go up because of the education cost sharing that they -- that has been adjusted. I hope in the future that this legislature will look at reducing spending. I haven't seen any of that at all. Through every Committee meeting, through appropriations, there has been no conversation at all about cutting out waste. And I know one thing for sure because I still sit on my Town Council in my town and I work that budget every year. Every budget has waste and every budget could be reduced. Something could be cut out of every budget and every department and for some reason I did not see it here at all. Thank you, Mr. Speaker and thank you, Representative for answering my questions. Thank you.

SPEAKER ARESIMOWICZ (30TH):
Thank you very much, madam. Representative DiMassa of the 116th sir, you have the floor.

REP. DIMASSA (116TH):

Thank you very much, Mr. Speaker. Just a few comments on some of the things previously mentioned. The Divas on the Move happens to be a program that is run through my district and I can certainly tell you they're very appreciative under the money they're going to receive. It's under youth violence. It helps to keep some of our most neediest off the streets and out of trouble. And I can tell you that in the past they received community block grant money from HUD so they are a certainly well-respected program and I want to thank all of the members and certainly the Appropriations Committee for considering us. Thank you very much, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Representative Wood of the 141st, you have the floor.

REP. WOOD (141ST):
Thank -- thank you, Mr. Speaker. I think well there have been many good points made here tonight and I certainly think in the budget there were some very many, many good provisions and many that I support and feel very strongly about. However, I do need to say that we need to be conducting our business here with logic, common sense, and basic math and I don't believe our budget has done that. Our residents need to see our state put on a path of fiscal stability and this budget simply doesn't do that. It's continually spending, spending, spending and we're not making the structural changes we need to be making. In the budget of 2017 we all had the wisdom to support the fiscal stability and economic commission in budget and in statute. It was a 14-member panel, brilliant group of people, bipartisan group of people from across the state and they put forward recommendations to exactly do what the title said, to fiscally stabilize and economically grow our state. And I have been down the district I
represent a number of times and they presented to a very broad group of people, a number of Democrats, a number Republicans, lots of unaffiliated. Everybody loved it. There was something -- everybody could find a little something they didn't like and many people found something they loved.

One of the provisions in this budget was the Governor -- quite simply the Governor and legislature need to achieve a reduction of the General Fund expenses and deficits by at least a billion dollars per year in the next two years on a sustainable basis and not through budget gimmicks. So to that end, in the budget last year we did have a provision that asked the legislature, OPM to, I will read the provision if I may: Not later than July 1, 2018 the Secretary of OPM shall develop and issue a request for proposal to hire a national consultant to study and make recommendations regarding efficiency improvements in revenue collection and agency expense management that will result in savings of at least $500 million per
fiscal year. So such recommendations shall not adversely impact program quality or social services in any way.

So this was a provision in the budget and I would like to know from the good Chairman of Appropriations -- thank you. Nothing happened with this provision and I'm just curious what happened to it.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Thank you. Thank you, Mr. Speaker. I'm sorry. Good the gentlelady please repeat her question. I did not hear it.

REP. WOOD (141ST):

Sure, I'd be happy to and I also want to mention on the bipartisan panel, it included Representative Pat Widlitz who served in this Chamber for a number of years with great esteem as Chairman of Finance, Revenue and Bonding. So it was
a very, very strong group of people on this Fiscal Stability and Economic Growth Commission Panel and I believe we could have followed many of their provisions and set our state on fiscal -- on a path of fiscal stability. So my question to you is in the budget, 2018 budget last year, the modifications we made in the biennial budget, we had a provision section 57 that would require the Secretary of OPM to develop and issue a request or proposal to hire a national consultant to study and make recommendations regarding efficiency improvement in revenue collection and agency expense management that will result in savings of at least $500 million. This recommendation shall not adversely program quality or social services program benefits. I'm curious what happened to that provision.

Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Walker.

REP. WALKER (93RD):

Thank you, Mr. Speaker. And I thank the
gentlelady for the question. Yes, there was that request but it is not in the budget. I think maybe part of that will come, maybe it will evolve with this new administration but I think this new administration didn't have -- pick up that request.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Wood.

REP. WOOD (141ST):

Boy, I think that's too bad. I think we do need to be looking at what we need to cut and creating efficiencies. We're not doing a very good job of that. All we're doing is increasing spending, increasing spending. People across the state are fed up, absolutely fed up across the political spectrum.

I do have an Amendment and the Clerk has an Amendment. It is LCO 10633. Would you please ask the Clerk to call it and I be allowed to summarize?

SPEAKER ARESIMOWICZ (30TH):

Will the Clerk please call LCO No. 10633, which
will be designated House Amendment Schedule J?

CLERK:

House Amendment Schedule J, LCO No. 10633 offered by Representative Klarides, Representative Candelora et al.

SPEAKER ARESIMOWICZ (30TH):

Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection to summarization? Seeing none, Representative Wood you have the floor madam.

REP. WOOD (141ST):

Thank you. What this Amendment does is it would require $1 million to be appropriated from the Office of Policy and Management to look at paying a consultant to hire pursuant to section 57 of the budget of 2018 to study and make recommendations regarding improvements in revenue collection and agency expense management. It also would, to offset the million dollars, it would also add a lapse to reflect a net savings of $2.2 million in fiscal 20
and $4.25 million in fiscal 2021 to offset that cost and that would be from DMHAS privatization services. After the -- oh, Mr. Speaker I move the adoption of this Amendment and when the vote is taken, it be taken by roll.

SPEAKER ARESIMOWICZ (30TH):

A roll call will be ordered, madam. Will you remark further on the Amendment before us? Representative Walker of the 93rd, madam you have the floor.

REP. WALKER (93RD):

Thank you, Mr. Speaker. And Mr. Speaker I want to thank the gentlelady for her -- for her proposal. Unfortunately I think at this time additional dollars in this budget as you -- as well know, it's only $200,000 above the cap, I mean below the cap and I don't think we have the adequate funds for this but I do believe that we can revisit for the second year of the biennium.

Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):
Thank you very much madam. Will you remark further on the Amendment before us? There are names on the board that want to the underlying Bill so if you'd like to speak on the Amendment you should stand up. I currently don't see anybody. That being said, staff and guests to the well of the House. Members take your seats; the machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER ARESIMOWICZ (30TH):

Have all the members voted? If all the members have voted please check the board to ensure your vote has been properly cast. If all the members have vote the machine will be locked, the Clerk will take a tally. Clerk will announce the tally.

CLERK:

House Amendment Schedule J.
Total Number Voting 150
Necessary for Adoption 76
Those voting Yea 60
Those voting Nay 90
Those absent and not voting 1

SPEAKER ARESIMOWICZ (30TH):

The Amendment is rejected. Will you remark further on the Bill as amended? Representative Ackert of the 9th district, sir you have the floor.

REP. ACKERT (8TH):

Thank you, Mr. Speaker and good evening.

SPEAKER ARESIMOWICZ (30TH):

Good evening, sir.

REP. ACKERT (8TH):

Just some comments actually for this evening. And I --

SPEAKER ARESIMOWICZ (30TH):

Representative hang on one second. (Gavel) Ladies and gentleman, I know it's been a long day. There's not much debate left on this Bill before us. If we give those speaking on the Bill the proper
respect, bring your conversations out in the hall, I would greatly appreciate it. Representative Ackert, please proceed.

REP. ACKERT (8TH):

Thank you, Mr. Speaker and I could have gone about ten hours but everybody already did it. So I don't have much to say, just a few comments though. I do want to start out by saying something I do see and have been happy to see and that's the elimination of the Business Entity Tax. On the flip side of that we actually take an increase to what used to be the $20 filing fee to $100 so really there's not much of a loss there for those that have the LOCs and LLPs. Kind of disappointed in the 1 percent food tax but -- because of such a high value that it brings in, $50 million in one year and $65 in the next, that's money out of our good people's pockets, a lot of money.

And then I take a look at the -- what I think to be an interesting tax, this is the Floor Tax on alcohol so I can see right across the street, Sam,
the little package store guy saying, what did you do to us now? What do I gotta do? I've got to count all the bottles I have on the floor, me and my part-time staff here and then send in a tax on that? A new excise tax. The drycleaner up the street which we go in and many of us take our clothes in and there's a new tax there.

Another interesting one, the 30 million potential dollars in case OPM needs to add fees and taxes on $30 million somehow, somewhere, we're not sure where it's going to come from at this time but they're going to try and get that and maybe potentially $50 million.

But then I want to talk about the nickel and dime taxes. Literally they're nickel and dime taxes. The nickel for the additional cost to take our -- to the Transportation Network Systems, your Ubers and things we're adding a nickel, but what does that nickel bring us out of the people's pockets? Millions of dollars essentially. Millions of dollars of those nickels that are coming out of
our good people at $4.5 million and $4.6 million coming out of our tax to take that Uber or that other ride. These are really just nickels and dimes.

The bag fee that we talked about earlier. $4 millions of dollars -- tens of millions of dollars out of the good people's pockets through the purchase of a plastic bag. So we look at this as not just nickels and dimes but millions of dollars out of the -- out of the taxpayers pockets. We added a ghost of fund programs but there's just not enough cuts in the budget. Instead we are literally taking nickels and times to add into tens and tends of millions of dollars so for that reason Mr. Speaker, I will not be in support of this budget.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Will you remark further on the Bill as amended? Representative Candelaria of the 75th district, sir you have the floor.

REP. CANDELARIA (9TH):
Thank you, Mr. Speaker. Mr. Speaker I rise in strong support of this Amendment. When we will look at this Amendment it actually formalizes a Bill that addresses the needs of the residents of the state of Connecticut. This Bill invests in Connecticut's middle class. It increases funding for higher education. It covers an additional 4,000 individuals by expand HUSKY. This Bill invests in business startups by eliminating the Entity Tax. This Bill we also include the banning of plastic bags to ensure the safety of our environment, our state and our planet. So that brings me to the next point in my conversation, which is the Youth Violence Prevention Grant. I would like to remind my fellow colleagues in this Chamber how this transpired. This was as a consequence of the horrific incident that happened in Newtown with the Sandy Hook shooting where many youths were killed due to violence, but what happened and transpired after that, in our urban communities our children were being killed and that was not being addressed.
Lives were being lost. Young to thrive was being lost. So the investment of $3 million to invest in youth prevention in our communities is a return on investment of lives. And that's exactly what that does. Those grants ensure that those children are involved in different activity, arts and cultural, recreational, education activities, keeping our children off the streets. We're saving lives and I believe we all support that, ensuring that the lives of our children are safe by engaging them in extracurricular activities and that's exactly Mr. Speaker what this Bill does. So I stand here in strong support of this Bill because this Bill is the right path of the state of Connecticut. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Will you remark further on the Bill as amended? Representative Rosario of the 128th, sir you have the floor.

REP. ROSARIO (128TH):

Thank you, Mr. Speaker. I rise in strong
support of this budget not only because it does the right thing for the state of Connecticut, but to be quite frank, I want to address something that was said in this Chamber earlier. There was a member who said they felt offended because they felt that some children were being treated differently than others. And to be quite frank, I'm offended by some of the words that have been said about these Youth Violence Prevention Grant dollars. And I'm going to tell you about a couple of those programs that are in my district. One of them mainly be in the McKinney Center. If it wasn't for the McKinney Center I wouldn't be here right now. The McKinney saved my life. Growing up in Bridgeport in 1990, 1991, 1992, 93 when we lead the country in murders the McKinney Center was the only safe place that my mother knew that she could send me from 5 to 8:00 at night. So I think it's important that programs like McKinney Center continue to provide services to keep kids safe like the kids in the city of Bridgeport, kids like me that could have been a statistic. And
programs like Bridgeport youth leaders who literally take children to college, many who are first-time college attendees, first-time college graduates, really getting upward mobility. $3 million is a drop in the bucket. It should be $20 million. So I urge my colleagues to support this budget. Thank you.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Will you remark further on the Bill as amended? Representative McGee of the 5th district, sir you have the floor.

REP. MCGEE (5TH):

Thank you, Mr. Speaker. I too rise in support of this budget and I'm extremely proud of the work my colleagues, Jason Rojas and Toni Walker have done to prepare the materials for today. There's been a lot said in regards to this budget but the one thing for sure I know that this budget invests in our workforce, small businesses and the opportunity for people of color to do more with the resources available in this budget. It stabilizes our
finances long term. One thing that we advocated for in this budget and I remember last year, we talked about it, it was expanding Husky A Medicaid coverage for some 4,000 people who had lost their healthcare. But I would remiss if I too didn't chime in on the importance of the Violence Prevention Dollars.

I remember like it was yesterday the lives that were taken down in Newtown, Connecticut and we had a very lively debate on the importance of providing protection and security for our children while in school. But I remember the conversation around providing opportunities for those in our urban districts around detouring our young people from youth violence. And while I've heard my two colleagues mention the importance of these programs, I can remember many of these programs providing opportunities for myself, a young boy from the north end of Hartford where there was a lot of youth violence and gang violence that I very well could have been a part of. And had it not been for organizations whose mission was to provide
opportunities for young people, I'm not certain that I would be in this Chamber here today. And so I'm delighted that this budget has provided some resources for youth organizations that provide opportunities for young people that look like me but not only like me, that look like folks in this Chamber and so I'm so excited. So Mr. Speaker, I support this budget as well. Thank you so much.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Representative Camillo of the 151st, you have the floor sir.

REP. CAMILLO (151ST):

Thank you, thank you Mr. Speaker. I know it's getting late and I'll make this very quick. I don't want to parrot all the reason why we are voting it against it or why our friends on the other side are voting for it, but I think we do need to ask ourselves a couple of questions. Does this budget do anything to change the fact that we are number 49 or 50 or 1 and 2 in outmigration? We take turns every month on that one. Does this create enough
jobs it's going to make us get out of that last you
know, percentile when it comes to economic growth?
I've been here since 2009 and unfortunately we have
responded to the Great Recession, which wasn't our
fault, with taxation, tax increase after tax
increase after tax increase. This is not the answer
to it. Again, we are number or two in outmigration.
Ask ourselves does this budget change anything? I
don't think it does. But thank you for all who put
the time into it and thank you Mr. Speaker for
allowing me to speak.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, sir. Will you remark
further on the Bill as amended? Representative
Sredzinski of the 112th, you have the floor sir.

REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker and good evening. A few
questions to the Chairman of the Finance, Revenue
and Bonding, through you.

SPEAKER ARESIMOWICZ (30TH):

Please proceed, sir.
REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker. Section 364 of this Bill deals with revenue from online lottery gaming. From the OLR report OPM will conduct a feasibility study to allow Connecticut Lotter to offer online gaming. Could the good Chairman explain what the feasibility study will conduct? Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Thank you, Mr. Speaker. I believe the feasibility study will look into how we can implement iLottery, what vendors to use, how any vendors to use. Once they complete that report it is my expectation that they'll come to the legislature for full approval of iLottery. Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Sredzinski.

REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker. And I thank the
Chairman for his answers. Would this include any study about the Tribal Combats? Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. The language doesn't speak to that so I presume, no. Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Sredzinski.

REP. SREDZINSKI (112TH):

Through you Mr. Speaker. And this -- does this feasibility study distinguish between draw games and scratch games offered online? Through you Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. I believe the intent is simply for draw games. Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Sredzinski.
REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker. And if the feasibility study shows that yes, it's legal to conduct these online iLottery games, would it be for legislative intent, would it be his understanding that the Governor has to come back to the legislature before implementing such a program? Through you.

SPEAKER ARESIMOWICZ (30TH):

Representative Rojas.

REP. ROJAS (9TH):

Through you Mr. Speaker. Yes.

SPEAKER ARESIMOWICZ (30TH):

Representative Sredzinski.

REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker. I thank the gentleman for his answers. I want to move on quickly to sections 82 through 89 which establishes the Teacher's Retirement Fund Bonds and Special Capital Reserve Funds. I have some significant concerns about the program, most significant one being that we are looking to re-amortize these funds with the
new 30-year schedule. And for the unfunded accrued actuality liability basically doing what we've done in the past, which is kicking the can down the road, but it's more than just kicking the can down the road, it's more like punching the can across the state. OFA has projected in their documentation of $15.6 billion costs in long-term re-amortization of these funds. I understand that this saves money in the short term. I understand that similar to refinancing a house or rebalancing your credit cards or refinancing a piece of land that this will save money in the short-term but make the payments stretch out longer costing us billions in the future. As a result Mr. Speaker, the Clerk is in procession of a Amendment, LCO No. 10657 Will the Clerk please call the Amendment and may I be allowed to summarize?

SPEAKER ARESIMOWICZ (30TH):

Will the Clerk please call LCO No. 10657 which will be designated House Amendment Schedule K?

CLERK:
House Amendment Schedule K, LCO No. 10657

offered by Representative Klarides, Representative Candelora et Al.

SPEAKER ARESIMOWICZ (30TH):

The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection to summarization? Seeing none, Representative Sredzinski, you have the floor, sir.

REP. SREDZINSKI (112TH):

Thank you, Mr. Speaker. This Amendment eliminates the re-amortization and level dollar funding for proposals for the Teacher's Pension Fund. It also eliminates the use of surplus for the SCRS and uses resource from the FY19 budget surplus to fund current law DRBADC for fiscal year 20 and 21. Mr. Speaker, I move adoption and when the vote is taken I request it be taken by roll.

SPEAKER ARESIMOWICZ (30TH):

When the vote is taken it will be taken by roll. Will you remark further on the Amendment
before us? If not staff and guests to the well of the House. Members please take your seats and the machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER ARESIMOWICZ (30TH):

If all the members have voted the machine will be locked and the Clerk will take a tally. Clerk will announce the tally.

CLERK:

House Amendment Schedule K.

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SPEAKER ARESIMOWICZ (30TH):

The Amendment is rejected. (Gavel) Again I
would remind everyone; members should take their seats. Guests should refrain from conversation. If you need to have conversations, take it out in the hall. Will you remark further on the Bill as amended? Representative Klarides of the 114th, madam you have the floor.

REP. KLARIDES-DITRIA (105TH):

Thank you, Mr. Speaker. It's been a long day but if our state budget isn't worth that I don't know what is. And for those of us who have been here more than this one term, we've done a lot of budgets. We've done budgets with tax increases and budgets without. We've done budgets where we've had surpluses and we've had budgets where we've had deficits. But it seems lately there's been a consistent theme in the past few years of the budgets we've done. And that theme has been raise taxes, not making structural changes and disregarding the will and the needs of the people of the state of Connecticut.

We've heard the Governor talk a lot about
trusting him, that he's going to do the best for the state. He felt strongly about the fact that we're going to get a budget on time, which I respect but getting a budget on time does not fix the problems of the state and most importantly does not put trust back into government, is not a good budget. He asked for that trust and you all asked for our trust in putting this budget together and this is what we got. We got a raiding of the Special Transportation Fund of over $170 million in two years. Transportation that I hear everybody talk about every day how important it is. So important that we may need tolls to fund it.

We have tax increases of almost $2 billion. We have spending that has increased and I know that one of my colleagues had mentioned in the past we heard about a debt diet for many months. Well I don't really understand how a debt diet works when you also at the same time recommend a spending increase. Well the debt diet seems to have fallen by the wayside and the spending increase has gone up. Tax
increases have gone up. And the $50 million tax increase to businesses per year in this state because of the Passthrough Entity Tax, $50 million particularly to those businesses that we all talk about. When we campaign, small businesses are the drivers of this state and this budget is adding $50 million to their burden because it's not difficult enough, it's not difficult enough for them to operate.

We do get rid of the Business Entity Tax which is something we have pushed for many years and that's a good thing. But at the same time we increase filing fees 'cause it would kill all of you to just get rid of a tax and not try and find the money somewhere else.

We have the great Mansion Tax you've heard about and I will have to say that it's -- it's a really creative way to rename an exit tax. Creative, but we know that's what it is. But here's the thing, we're putting a tax on people of means who have homes of a certain amount who are selling
their homes very likely because of the policies of this state that are pushing them out. So you're penalizing them because they did exactly what your policies forced them to do -- leave. And then there's one of my favorite, the Hospital Tax. I know they came to an agreement and I know they're going to continue negotiating but the former Governor hurt those hospitals, gave them his word and then went back. This Governor doesn't seem to be at all interested, and I stood there with a lot of my colleagues on the other side of the aisle for a few -- for the last few years and supported the hospitals. And now they're forced to negotiate against themselves so they are hurt less than the other ones would be. Think of that. They are forced to walk away with a deal saying, okay well. We were promised that, now we're never going to get that so I have to negotiate against myself. And the problem here is there no consistent policy. There's no consistent theme in this budget. We see dry cleaning. We talk about dry cleaning and coin
operated machines. So we heard an interchange
between the Ranking Member and the Chairman of the
Finance Committee, when asked the question if you
put the coin into the machine, is there a sales tax?
If you put the credit card in, is there a sales tax?
Yes. What policy is that? What kind of consistency
is that for the state?

And I found it very interesting one of my
colleagues talked about the fact that we had floated
taxes on architects etc., yet interior designers
which are typically women are the ones that got the
tax on. Now I would bet that it if that was the
other way around, we might be called a name because
we're effecting women's business. We're effecting a
woman-dominated business and making them pay more.

Then there's the one I don't understand at all,
Safety Apparel Tax. We want people to be safer so
to encourage that we'll just make you pay more. We
have a Partnership for Connecticut. Now I will say
that the gentlelady who suggested this, I have
highest regard for. I think it's wonderful that
they are so engaged in philanthropy and helping children and people of this state. I think it's a wonderful thing. But to put together a group that is not subject to FOI, ethics laws or any reporting, if we ever recommended something like that do you know what we would be called? What about sunshine guys? Remember that? Transparency. That doesn't matter now. Nobody cares about that. And I've got to tell you something. If somebody came to me and offered me as a legislative leader, as a Governor or anybody that was in charge of anything and said, listen I'm going to give you all this money but you have to give us $20 million back, I'd say here's the thing. We don't have 20 million cents so I can't really help you. If you really want to help this state, and I know you do, and if you really believe in philanthropy and I know you do, then just give us the money. Because unfortunately it would irresponsible for me as leader of this state with a multibillion dollar deficit staring us in the face to say, okay we'll take 20 million dollars of it and
we'll just put it in there. And an organization that has no ethics laws, no FOI requirements and no reporting requirements. That's no leadership. That's not leadership.

And then there's the Payroll Tax Commission. Because you know what? When I go ever day into my district and around this state this is what I hear, Representative you don't tax us enough. I wish you would tax us more and I'm sure you can find more taxes that you can give us because that's why we're here, we like that. Payroll Tax Commission, because there's not enough taxes in here. There's not enough taxes we already paid, now we want to find new ones. What are we doing? I don't even understand how you could even think to hit a green button on something that has all of this in it.

So we're raiding STF fund, we're increasing taxes by billions of dollars. We are spending more money than before. I mean I don't understand how you could -- even if you said we'll spend the same, we should get some credit for that. We're spending
more. The debt diet has gone by the wayside but thank goodness we don't have to hear that anymore. $20 million that we don’t have. $50 million tax on businesses and all this in the hopes we can get a Payroll Tax study. I have -- I feel that I have to address one thing. We heard -- I don't like that work pork, so I'm going to use another word. Sweeteners, gifts, promises, I don't care what we call them but I have to tell you guys are slipping because you used to hide it better. You used to hide it better. $9.4 million. We heard people talk about the color of the skin and how that's effected and ethnic background and that's effected, well I bet you that almost none of that $9.4 million has an R after it. Almost none of it if any of it. So although I understand. I have many things in my district that I would love to help out with money and I respect anybody else's district that has things that they want to help out with money. But in a multi-billion dollar deficit year, and I feel like I hit rewind on tape because I feel like I've
been saying this for many years now; how in a multi-billion dollar deficit year do we spend more, borrow more and raise taxes? 'Cause that -- you know what? It hasn’t worked in the past or we wouldn't be here. We wouldn't be here if we were making structural decisions and changes for a state. And if we had any kind of philosophy in how we did it. There's no consistent policy. You have a Business Entity Taxes being gotten rid of and then filing fees are increasing. There's no priorities. We're putting $20 million into a plan because somebody asked us to when nonprofits are struggling every day to do things that we all need. This is more of the same. I -- I have to tell you, I get angry on a regular basis up here but today I'm really sad about this because if you could tell me that these policies worked in the past, I could admit that I was wrong. But increasing taxes, spending more, and I gotta tell you we're just under the bond cap a little bit and that's only because we pushed the bond cap, okay? So let's be honest, where all that stuff came
from. Bond caps, spending caps, that's where we are right now. So we're borrowing more, we're spending more, we're taxing more. How many years have we been doing that? And where are we now? With a multi-billion dollar deficit.

Now I'm sure I'm going to hear my good colleague on the other side of the aisle talk about all the wonderful things we're helping and I think that's probably very true, but we don't have the money to do it. We don't have the money to do it and unless we figure out a way to toughen up, figure out what our priorities are in this state, priorities that will move the state forward. Not just priorities to get us reelected, those are two different things. We have people talk every day; I can't afford to live here. As soon as my husband, my wife, my daughter, my son retire or graduate from school I'm leaving. Every day every one of us hears this and I'm sure we don't like it. But you have to understand it because it's your policies that you've put forth that made it happen. You are forcing $50
million in tax increases on businesses, saying we need a minimum wage increase because people can't afford to live and then taking half a percent of payroll tax out for FMLA they may never use. This is like a puzzle that doesn't fit. It doesn’t fit and it clearly doesn't fit because it's 2019 and we're still facing multi-billion dollar deficits. If that doesn't show you that what you're doing has not worked and is not working, I don't know what does.

But I've said this before and I'll say it again. The state of Connecticut deserves better and the priorities that are in this budget are no different than the priorities that were in other budgets except for the bipartisan budget two years ago and those are driving the state further and further into a hole and there's not going to be people to legislate for the very near future. Thank you, Senator.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much, madam. Representative
Ritter, the Majority Leader of the 1st district sir, you have the floor.

REP. RITTER (1ST):

    Thank you, Mr. Speaker. And before we get into my thoughts and I wouldn't call it a counter, but certainly a different viewpoint of where we are today as a state and what this budget does, I do want to thank the Chairs of the Money Committee and the Ranking Members as well for the hard work. Chairman Walker and Chairman Rojas. I know Tony, so many people look up to you in our caucus. So many who work with me and Joe on our staff look up to you. You know the budget about as well as anybody has ever known it in the state of Connecticut and your passion and your dedication to it is truly stunning and I know it takes a lot of long hours. And you have always done it with your head held high and treated everybody with respect and it's really quite a skill. And to the Chair of the Finance Committee. I know Jason, you have become an expert on almost all policy issues you address in one of
the more complicated sections of law that exists in our general statutes. Anyone can ask you a question from across the aisle in our caucus and you will answer it with composure, calmness and accuracy. And to the Ranking Members as well on the other side of the aisle, I know you put a lot of time in as well and I know your questions were -- are not meant to be gotcha questions. You're doing your due diligence for your constituents and we appreciate that.

I'm just confused. I'm generally perplexed at what has gone on. Not -- not tonight because tonight is a microcosm of where we got from last November. And when I think about what we did in 2017 and 2019 I'm further perplexes. But most of the comments from the other side of the aisle just don't square with reality and don't square with what has occurred. So I've got to go back on that. You can't be loud all night like a motorbike and the only thing you bring to a budget fight is Amendments. This budget invests, swinging by
investing. I've heard a lot about spending. The Minority Leader mentioned it. We have a spending cap now, a Constitutional spending cap. Not only are there a lot of new members who might go, what? A spending cap. This is not a Town Council, it's not a Selectman, but we have a Constitutional spending cap that OFA verifies. So all of our spending is subject to a Constitutional spending cap that we cannot override by a vote of a legislature. So maybe the spending was you wanted lower, but you can't say that there was just unlimited spending because you can't by the Constitution of the state of Connecticut.

But within those constraints Mr. Speaker, we found a way to invest. We found a way to invest in our nursing homes so there's not a strike for those workers. Can you imagine what would have happened if we had a strike in those nursing homes? It actually would cost more to have a strike a million dollars a day than the fund that we did. Can you imagine the disruption in those homes? We funded
our towns. I would imagine every single town who put their budget is doing better. The towns of eastern Connecticut look at those number runs. The investment in those towns that they're getting compared to previous years; the ETS funding was a bipartisan formula. It's not a Democratic formula. We kept it. Tension pension, no cost shift. So someone said property taxes are going to rise. Call your Board -- call your Director of Finance. They're going to look at you and go, that works for our town. As a matter of fact, I haven't heard one person from CCM call and say I'm against the budget. Not one, not one email, not one call, nothing. So don't say property taxes are going to rise because of good talking point. Back it up with facts.

BBRC Funding for Programs for the Urban Cities. It's not pork, it's not a sweetener for anybody. It so true what people say about the lack of programs and resources in urban environments. The difference between a little league in a certain suburban town where you can do a fundraiser and raise $100K or you
can do a night event where you have raffle tickets and prizes is a stark contrast to what you see in other places. Do you know in the City of Hartford right now if one of our football teams make the state playoffs, they can't play a home game? They don't have a regulation field. You can say, well that's not my problem. That's not the highest priority for the City of Hartford but if 30 high school kids go out and make a state playoff game, they have to travel on the road. And some communities across the state, the high school playoff game is the most celebrated of your year. Tens and thousands of people want to be part of it. Thousands go to the game and in Hartford they can't even play a home game. They get bussed to Middletown. Investing in programming, investing in people, investing in visuals is not pork and it's all done within a Constitutional spending cap.

Expanding Husky Medicaid Coverage by 4,000 people. Is that a bad thing for the state of Connecticut? No. Daycare, school readiness, global
health networks, all things that everybody thinks are important. But if you're going to prioritize these spending things, you have to balance the other side of the ledger. But I don't want to hear about wasteful spending, I really don't. Particularly when I have nothing to counter and contract it with. A bunch of Amendments a budget does not make. So you can't sit here and say, well you guys did X, Y and Z, that's terrible I'm voting no. What was your alternative? What did you propose? What was your option? That's what a legislature is supposed to do. To go through an entire -- entire winter and spring and almost upon summer with no budget document is shocking. It is disrespectful to the taxpayers to the state of Connecticut. You talked about public hearings. You filed six Amendments that had no public hearings. I didn't get a fiscal note on half of them when they were ready 'cause they weren't even ready on the system. That is not a budget.

Stabilization is the second key part of our
budget. I talked about investment under the Constitutional spending cap. Let's talk about stabilizing. The Teacher Pension Fund has been brought up. It is confounded, confounded legislators for a long time. Not because of anyone in this room. We all agree on that. Nobody created that problem, but there's a sympathetic class of persons in the state of Connecticut. Can we all agree it's our teachers. Can we agree it's Mr. Smith and Mrs. Smith that teach kindergarten class? I think we can agree on that. We have to figure it out. If we do nothing, we're looking at a cliff of $3-4 billion in three years which would consume almost 25 percent of one year of the biennium budget. It is not realistic. You cannot do it. You can't afford it. There's not -- you couldn't cut, you couldn't tax, you could do nothing. The Treasurer's office came up with an interesting way to restructure it. It required taking $400 million, $380 from the surplus, which was not spent and putting it in a SCRF reserve fund which will return
to the Rainy-Day Fund around 2030, not spent. Put into the Rainy-Day Fund so that businesses have the predictability and the stability they need because that is a looming problem.

All of the Commissions we've had and man, we've had a lot of Commissions, talked about the Teacher Pension problem. This solves it and smooths it out. That's not a bad thing. It stabilizes for our large and small business to have predictability. The hospitals -- I'm just confused. The Hospital Tax which was part of the bipartisan budget carried over to this year and they finally have reached an agreement. We used the remainder of the surplus funds to -- I've got to be careful because I know they're still negotiating it, but generally speaking to help settle that issue. So ask everyone in this Chamber, we will be back in special session, are you going to approve the hospital settlement that they want us to approve? Some of the best job creators in the state of Connecticut can't outsource hospitals, no you can't. So whose going to vote for
that? You've got to step up, you've got to appropriate money. Who's going to step up and say I'm going to appropriate funds to reach a global settlement with our hospitals, our major employers? I'm going to. It's a hard vote. There's a lot of things you can do with that money but it's the right thing to do and it also takes off another big issue. The hospital lawsuit and the teacher pension are the two things that are looking to invest in Connecticut or grow in Connecticut, you go this is going to be a problem and just like that, with great work in the Governor's office and this legislature, they're gone. They are structured, they are predictable and those large costs are gone.

Then people are angry with us for destabilization with the small -- the Business Entity Tax, the Passthrough. We didn't destabilize anything. Then it was talked about the Payroll Tax Commission. We didn't cause that disruption. Donald Trump and the Republicans in DC changed the entire tax code to screw Connecticut, Massachusetts,
New York and New Jersey. So we have to find responses to that. I'm not lying. It's the truth. So Connecticut got handed a whole new federal tax code that absolutely punished our taxpayers. The Payroll Tax Commission would not raise taxes on anybody. It would lower them. It is looking to find an exemption to the crazy federal laws that were passed to punish New England. So you're going to vote against that? The Commission to study of it? Why? Go ask -- business people have said; we have to study it. It may not work. We didn't destabilize the tax code in Connecticut. We are responding to the salt issue. Had the Business Entity that passed was put in for the same reason, to work around it. And that benefit is still accruing in a much larger way than it would otherwise. Yes, we're taking part of that credit back but to say it's destabilizing. No. Everything we're doing is response to what happened in Washington, DC so if folks don't like that, go run for Congress. Go take it up with them, but
Connecticut is not doing well by it.

The third part of our budget is preparation. What do I mean by that? People say we spend too much. We're under the spending cap. People say we borrow too much, we have a bond cap. And by the way, the Governor will pick the projects that he wants. There's many assumptions, as we all know he has a huge role to play if we get out of here, it's the Rainy Day Fund. When I got here it was zero dollars when we were done with the budget. I mean it's shocking. Can you imagine in your own house if you had no money left in account for savings, you had zero dollars and there are many families where that's reality? That's living paycheck to paycheck. That is one bad decision or one bad decision from altering your life. The state was in the same position. A wealthy state like Connecticut. We didn't have a dollar. With this biennium budget, despite all the rhetoric and noise about overspending, we could have a $2.8 billion Rainy Day Fund. It will be $2 billion on September and it
could be as high as $2.8 billion, the largest in the history of the state of Connecticut. Go back to the 1930s, 40s, 50s, 60s, 70s, 80s, 90s, the golden times, the bad times, the highest Rainy-Day Fund in the state of Connecticut. To prepare for the bad times which is something none of us got the advantage of. We could have done a lot of things with that funding. We didn't. There was discipline in this budget and that discipline was to keep the Rainy-Day Fund where it should be. And why does that matter beyond having that for the tough times that are ahead that are always going to occur? Because every time we borrow money it's cheaper. A better credit rating is a positive thing. So we've invested, we have stabilized and we have prepared and all I've heard today is I would do something better or different and I cannot say how many times this side of aisle has offered to negotiate Bills. We had two Bills this week where the Ranking Member and the Chair went in the back room and negotiated a Bill. In 2017 we negotiated a budget. In 2018 we
negotiated a budget. The Speaker and I, Chairpeople of the Committees took hits for that. So did you guys. But we all came together and said we can make it worth, it's better for the state and we're seeing some benefits of that. But this year I'm not saying we're going to get together. Maybe politics changes that after a while and I understand that. But not a budget. So what do you want us to negotiate with? An Amendment filed on June 3 at 7:00 at night? That's what we're negotiating with? If you're going to be serious about the budget, if it's such a crisis, if the world is ending, how do you not propose a budget? At least the term sheet? When you don't propose a budget, you seed your authority to other people. You punt your ability to make difficult decisions. Voters can forgive disagreements. They cannot forgive an action.

Mr. Speaker, I strongly support this budget and I look forward to supporting it tonight. Thank you very much.

SPEAKER ARESIMOWICZ (30TH):
Staff and guests please to the well of the House. Members take your seats and the machine will be open. (Ringing)

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER ARESIMOWICZ (30TH):

Have all the members voted? If all the members have voted, please check the board to ensure your vote has been properly cast. If all the members have been voted the machine will be locked and the Clerk will take a tally. And the Clerk will announce the tally.

CLERK:

ECERT 7424 as amended by House A and B.

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SPEAKER ARESIMOWICZ (30TH):

The Bill as amended passes. (Gavel) Chamber will stand at ease. Are there any announcements or introductions? Representative Ritter of the 1st district sir, you have the floor.

REP. RITTER (1ST):

Mr. Speaker I move that we immediately transmit House Bill --

SPEAKER ARESIMOWICZ (30TH):

7424 (Laughing)

REP. RITTER (1ST):

7424.

SPEAKER ARESIMOWICZ (30TH):

Thank you very much. Without objection so ordered. Representative Yaccarino, of the 87th sir, you have the floor.

REP. YACCARINO (87TH):

Good evening Mr. Speaker. After the long debate I'd like a Point of Personal Privilege. Through you Mr. Speaker.
SPEAKER ARESIMOWICZ (30TH):

Please proceed.

REP. YACCARINO (87TH):

In the Chamber, one of our own members birthday today, my own teammate, a member of the Arthur Avenue, a great Yankee fan and more importantly a great person, really a wonderful man. Happy Birthday to Fred Camillo. (Applause)

SPEAKER ARESIMOWICZ (30TH):

Just to be clear I intended to clap very loudly for you but then Representative Yaccarino reminded me you're a Yankee's fan so it was a golf clap. (Laughing) Representative Buckbee of the 67th, sir. You have the floor.

REP. BUCKBEE (67TH):

Good evening, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

Good evening, sir.

REP. BUCKBEE (67TH):

I rise for the purpose of introduction.

SPEAKER ARESIMOWICZ (30TH):
Please proceed.

REP. BUCKBEE (67TH):

You know I've sat here on different nights and seen some pretty outstanding athletes that get introduced and people from districts that get introduced and I'm proud to say I have a young student, Nate Capriglione who is a former All-State football player for New Milford High School, All-State hockey player from Milford High School and now playing lacrosse down in Gettysburg College on an academic scholarship so God bless that. He wanted to come today -- to come up here today to Hartford and see what we do and shadow for a day. Let me tell me, he picked a heck of a day to come to Hartford to see what's going on. I ask for your usual accord and recognition. (Applause)

SPEAKER ARESIMOWICZ (30TH):

Are there any other announcements or introductions? Representative Currey of the 11th district sir, you have the floor.

REP. CURREY (11TH):
Thank you, Mr. Speaker. Just a quick announcement that session will begin tomorrow at 10:30 a.m.

SPEAKER ARESIMOWICZ (30TH):

10:30 a.m. session will begin. I'm the two gentleman that do transcript notations will be pushing their button soon. Ladies and gentleman just in case it was lost in translation, it does not look like we'll be doing any further business tonight so there's our normal transcript notations that take place now. Representative Currey of the 11th district sir, you have the floor.

REP. CURREY (11TH):

Thank you, Mr. Speaker. I move for the immediate transmittal of business needing further action by the Senate to the Senate immediately.

SPEAKER ARESIMOWICZ (30TH):

Question before the Chamber is immediate transmittal of items awaiting action in the Senate. Is there objection? Is there objection? Seeing none, so ordered. Representative Reyes of the 75th
sir, you have the floor.

REP. REYES (75TH):

    Mr. Speaker for purpose of general notation
Representative Orange is sick, personal
Representative Rose and Serra, business in district
Representative Santiago and D'Agostino. Thank you, Mr. Speaker.

SPEAKER ARESIMOWICZ (30TH):

    Journal will so note. Representative Betts, do you have any transcript notations?

REP. BETTS (78TH):

    Thank you for asking Mr. Speaker. No, we have everybody here. Thank you.

SPEAKER ARESIMOWICZ (30TH):

    Thank you very much, sir. Mr. Clerk, before we end the night, do you have any business on your desk, sir?

CLERK:

    Yes Mr. Speaker. I have Senate Favorables to be tabled for the Calendar.

SPEAKER ARESIMOWICZ (30TH):
Representative Currey.

REP. CURREY (11TH):

I move that we waive the reading of the list of Bills and table them immediately.

SPEAKER ARESIMOWICZ (30TH):

Without objection, so ordered. (Gavel)

Representative Currey, while you have the mic in your hand.

REP. CURREY (11TH):

Thank you, Mr. Speaker. There being no further business on the Clerk's desk I move that we adjourn subject to the Call of the Chair.

SPEAKER ARESIMOWICZ (30TH):

Question before the Chamber is adjournment subject to the Call of the Chair. Without objection, so ordered. We are adjourned. (Gavel)

(On motion of Representative Currey of the 11th District, the House adjourned at 10:32 o'clock p.m., subject to the Call of the Chair.)
CERTIFICATE

I hereby certify that the foregoing 529 pages is a complete and accurate transcription of a digital sound recording of the House Proceedings on Monday, June 3, 2019.

I further certify that the digital sound recording was transcribed by the word processing department employees of Alphatranscription, under my direction.

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3244 Ridge View Ct 104
Lake Ridge VA 22192