



CONNECTICUT
LEGAL
RIGHTS
PROJECT, INC.

TESTIMONY OF KATHLEEN FLAHERTY, ESQ.
EXECUTIVE DIRECTOR, CT LEGAL RIGHTS PROJECT, INC.
FINANCE, REVENUE AND BONDING COMMITTEE PUBLIC HEARING
FEBRUARY 27, 2020

In opposition to: HB 5001 and HB 5034

In support of: HB 5002, HB 5003, HB 5025, HB 5059 (with concerns),
HB 5090, HB 5109

Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee:

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Good afternoon. My name is Kathy Flaherty and I'm the Executive Director of Connecticut Legal Rights Project (CLRP), a statewide non-profit agency that provides legal services to low income adults with serious mental health conditions. CLRP was established in 1990 pursuant to a Consent Order which mandated that the state provide funding for CLRP to protect the civil rights of DMHAS clients who are hospitalized, as well as those clients who are living in the community. I'm also the Co-Chair of the Keep the Promise Coalition (KTP). KTP is a coalition of advocates (people living with mental health conditions, family members, mental health professionals and interested community members) with a vision of a state in which people with mental health conditions are able to live successfully in the community because they have access to housing and other community-based supports and services that are recovery oriented, person-driven and holistic in their approach to wellness. Lastly, I'm a member of the steering committee of the Connecticut Cross Disability Lifespan Alliance, an alliance of people of all ages with all disabilities who pursue a unified agenda.

I submit my comments on a number of bills on today's agenda with one guiding principle: the budget of this state must reflect its priorities both in how it spends, but also in how it collects the revenue that will be spent. All of you ran for office and were elected to the Legislature with the intention of doing your best by all of Connecticut's residents. All of you prioritize the needs of Connecticut's most vulnerable residents, including people with disabilities. However, if you take the time to read the testimony submitted by so many individuals and organizations at the Appropriations Committee budget hearings, you will see how years of cuts have devastated the community-based system of services and supports.

Without adequate funding, the services and supports that Connecticut's marginalized residents depend on are not sustainable. Every time this committee chooses to eliminate or cut a tax, or expand a tax credit, you are making a choice to reduce the revenue that this state brings in, the revenue that is needed to fund that system of supports and services that you say you value. Actions speak louder than words. You cannot continue to place the burden of past fiscal choices on the people who are least able to bear the burden.

I am **opposed to HB 5001 and HB 5034** because they would provide a tax break to people who, while they might appreciate the tax break, don't really need the tax break in order to survive. Anyone who can afford to buy an airplane can likely afford to pay the sales tax on that airplane. I don't understand why planes larger than 6,000 pounds are exempted while smaller planes are not. I'm not sure that any of them should be. I do understand the desire for consistency; if you must be consistent, eliminate the exemption for all the planes. HB 5034 would eliminate Connecticut's estate tax entirely. It is my understanding that the estate tax does not even kick in unless and until the estate exceeds \$2.6 million.

I am in **support** of several of the bills on today's agenda because they increase fairness of the system (**HB 5002** increases the exemption for married couples to twice that of unmarried persons); keeps current estate tax exemption in place and eliminates the cap on the gift tax (**HB 5003**); makes it easier for people to handle the expenses of long-term care insurance by providing a tax credit (**HB 5025**); or eliminate sales and use taxes on necessary supplies for feeding of children (**HB 5109**).

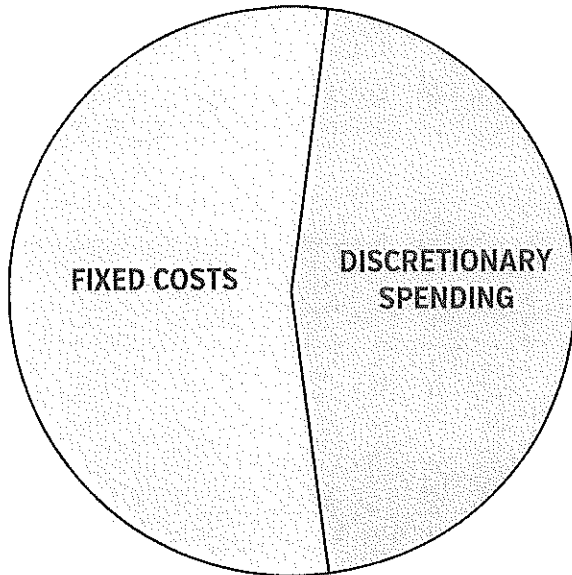
I want to comment specifically on **HB 5059**, AN ACT ESTABLISHING A TAX CREDIT FOR BUSINESSES THAT EMPLOY INDIVIDUALS WITH INTELLECTUAL OR DEVELOPMENTAL DISABILITIES. This bill is a great idea which should expand opportunities for employment for people with intellectual or developmental disabilities. I suggest, however, two amendments which would increase opportunity to fair employment for people with disabilities. First, it's not clear why this proposal is limited only to employers who hire people with intellectual or developmental disabilities; would it not be fairer to make the credit available to employers who hire people with other disabilities, as is true for the federal Work Opportunity Tax Credits? Second, should you choose to enact this tax credit, you should make it clear that employers who pay a sub-minimum wage to their disabled employees will not be eligible to receive this tax credit.

I also want to register my support for **HB 5090**, which would impose a 1.5% surcharge on capital gains for people who are in the highest strata of income in Connecticut, and reduce the rate on the people who have the lowest income. This committee must recognize its responsibility to all of Connecticut's residents, and do what it can to reduce the burden on those who are least able to bear it.

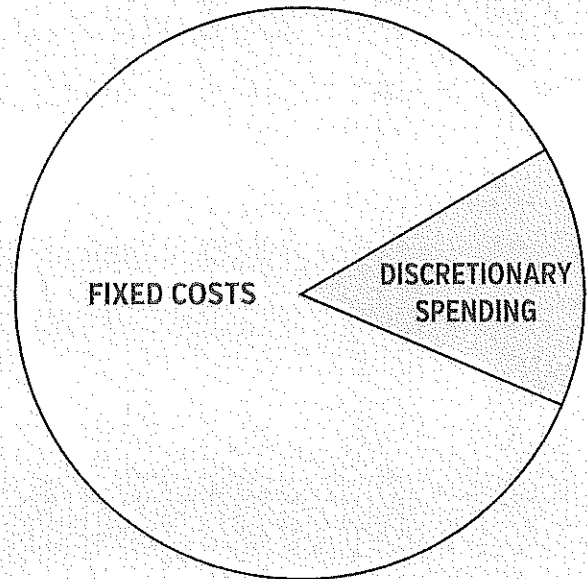
Thank you for your consideration of these comments.

Anyway You Slice It: Connecticut's State Budget Pie

Fixed costs represent more than half of the expenses in the CT budget.

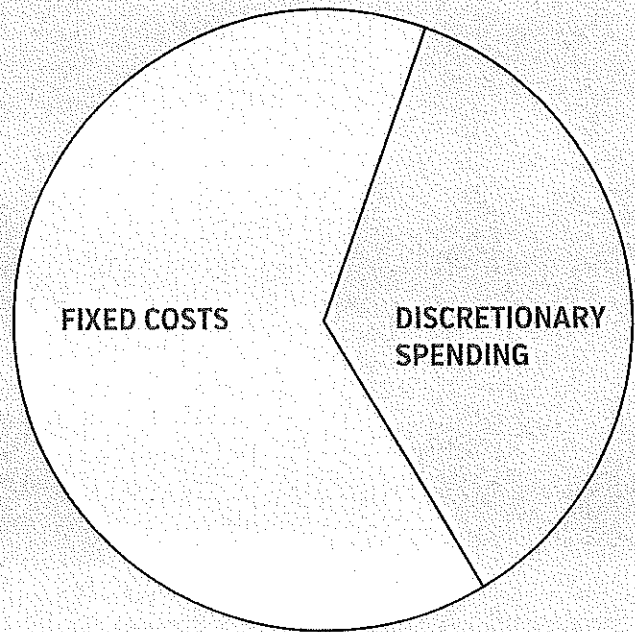


Since fixed costs go up every year, if the pie stays the same size, it will eventually look like this.



If, on the other hand, you increase the size of the pie, you might at least hope to maintain the programs paid for by discretionary spending.

How do you increase the size of the pie? **Revenue.** You can't have it both ways. **There is no magic pie.**



Additional questions? Please contact Kathy Flaherty, CLRP Executive Director, at (860) 262-5033 or kflaherty@clrp.org.



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