

December 8, 2015 Special Session Summary

The General Assembly met for one day to pass SB 1601 <https://www.cga.ct.gov/2015/TOB/s/2015SB-01601-R00-SB.htm> , a deficit mitigation bill in order to close a \$350 million hole in the FY 2016 state budget and save another \$212 million in carryforwards to FY 2017. It also offers tax relief to businesses and restores a portion of the Governor’s September rescissions from hospitals and social services.

SB 1601 passed the Senate with a vote of 20-15 and the House with a vote of 75-65. Despite having participated in substantive negotiations on the package, not a single Republican voted for it. Three Democrats voted against it - Sen. Dante Bartolomeo, Rep. David Alexander and Rep. John Hampton.

Republicans lamented their failure to add more “structural changes” to the deficit mitigation bill and attempted several amendments in both chambers, three of which were anti-union:

- In the House, when adopting rules for the Special Session, Republicans offered House Amendment A, which **required Floor votes to approve collective bargaining agreements in each chamber.** <https://www.cga.ct.gov/2015/amd/H/2015HJ-00301-R00HA-AMD.htm> The Speaker ruled the amendment non-germane and his ruling was challenged by Republicans. His ruling was upheld on a roll call vote 61-75 (NO was the “correct” vote), but one Democrat who was present and did not vote was Rep. Brian Becker from West Hartford. He favored the amendment.
- In the Senate, on SB 1601, Republicans Senate Amendment B <https://www.cga.ct.gov/2015/amd/S/2015SB-01601-R00SB-AMD.htm>, which, failed on a party line vote of 21-14. Among other things, it included:
 - **Prohibited the implementation of any collective bargaining agreement unless it was approved by the General Assembly;**
 - **Required state employee retirement benefits to be established by statute after July 1, 2022;**
 - **Permitted the state to bargain with individual units on state employee healthcare;**
 - **Prevented “wages, hours and other conditions of employment” from including any question related to state employee retirement benefits;**
 - **Raised the prevailing wage threshold from \$400,000 to \$600,000.**
- In the House, on SB 1601, House Republicans offered House Amendment A <https://www.cga.ct.gov/2015/amd/S/2015SB-01601-R00HA-AMD.htm>, which was almost identical to Senate Amendment A (above). It also included a requirement to issue an RFQ (Request for Qualification) instead of an RFI (Request for Information) about proving inmate medical care currently provided by UConn Health and UHP and 1199 members. It failed on a vote of 63-75. Rep. Backer again did not vote on the amendment.

We can expect these and other proposals to come up again during the regular session that convenes in February 2016.

Among the provisions of SB 1601 that were most important to AFT Connecticut members were:

- Inmate medical services cut \$3M and a Request for Information (RFI) will be issued to cull information about interested private providers of inmate healthcare which is currently managed by UConn Health and provided by UHP and 1199 members. The state currently spends \$91.7M on this service.
- \$3 M cut from lapses (reserves) from UConn Health Center
- \$1.8M cut from lapses (reserves) from Community Technical Colleges
- \$8.5M cut from UConn to account for fringe benefits that the state should not have been paying on certain positions. This could have been fixed with an accounting mechanism, but it was the University's choice to handle it this way in the bill.
- \$200K cut from Sheff Settlement
- \$74M cut from Special Master
- \$295K cut from Common Core
- \$1.350 M cut from Connecticut Technical High School System
- \$1.45M cut from Open Choice
- \$6M cut from Magnet Schools
- \$2.321M cut from ECS (represents savings from 2 charter schools that were not funded in the budget)
- \$10M in Overtime savings
- \$3.5M to delay management raises
- Cuts \$30M in Medicaid payments to Hospitals (restores \$34M of Governor's September rescissions)
- Requires the Administration to pay \$16M in overdue Medicaid payments to hospitals.
- Defers \$70.4M to a new revenue-sharing program designed to help cities and towns control property tax increases.
- Creates a special commission to study the constitutional spending cap and find ways to make it an enforceable, effective limit on budgets.
- Requires the General Assembly to develop a plan to close Southbury Training School and the five other institutions, known as regional centers, operated by the state Department of Developmental Services.
- Creates a bipartisan panel to look at services that cost the state more than \$250K per recipient annually to provide with a report to the General Assembly due in December 2016. Much discussion on this topic has been related to closing CJTS, but I wouldn't be surprised if we have some outplacement special education services fall under this category).

SB 1601 also included approximately \$10M in business tax cuts, which include:

- Modifications the business community sought to "unitary" reporting
- Eases some restrictions on the net operating losses companies can claim as a deduction against corporation taxes owed.
- Eliminates sales tax exemptions for energy conservation and weatherization products.
- Extends business apprenticeship tax credit.
- Broadens fuel tax exemptions for propane.