



Testimony of
Jan Hochadel
President, AFT Connecticut, AFL-CIO

Finance, Revenue & Bonding Committee Hearing
February 26, 2016

HB 5046 An Act Concerning Revenue Items to Implement the Governor's Budget

Good afternoon Senator Fonfara, Representative Berger and members of the Finance, Revenue & Bonding Committee. My name is Jan Hochadel. I am the President of AFT Connecticut, a diverse state federation of more than 90 local unions representing more than 30,000 public and private sector employees. Our members include more than 15,000 teachers, paraprofessionals, and other school personnel, over 10,000 State employees and 7,000 nurses and other healthcare workers in 10 of Connecticut's acute care hospitals. It is on their behalf that I appear before you to today to speak on HB 5046, the Governor's revenue bill.

The Governor's proposed budget ignores the needs of our most vulnerable residents, cuts vital education funding, and is balanced on the backs of dedicated, hard-working state employees. HB 5046 completely ignores this devastating reality. Tweaking fees will not protect the quality of life we enjoy in Connecticut. We cannot support a budget that maligns state employees and continues to place tax surcharges on them and their families.

I worked in the CTHSS for the past thirteen years. My colleagues and I, in every agency and in every town across this state, have been active partners with Governor Rell and Governor Malloy during past budget difficulties. In 2009 and in 2011, State employees made significant sacrifices to help balance the budget and protect the critical public services upon which our communities depend. Those contributions were ***permanent and ongoing***. Three years out of five of hard zeros were not deferrals, and were not made up by later extra-large increases. These zeroes mean permanently lower salaries for years, and often have an impact on pensions. Changes in healthcare, retirement, and retiree healthcare all were ongoing, voluntary sacrifices which produced hundreds of millions in ongoing savings for the State.

When federal refunds are taken into account, millionaires pay on average about 5.3% of their income in state and local taxes. State employees, like other working and middle class families, pay almost 10%. ***We have sacrificed at more than 30 times the rate that millionaires have sacrificed to balance the budget, and we pay taxes at twice the rate they do.*** It's time for the wealthy to start paying their fair share to support the vital public safety, health and education services we all count on.

The Governor's proposed budget does not only demonize State workers, but cuts funding for public services directly. When we threaten to further diminish public services by laying off thousands of state employees and profoundly reducing services, we hurt working class people. We provide fewer teachers, nurses and law enforcement agents, and make public higher education even less affordable. That hurts our economy and our quality of life. Conventional wisdom, and the Governor's budget, suggests that Connecticut policy makers do not have the courage to ask the wealthy to pay their fair share in an election year. I hope that is wrong. I hope you will have the courage to do the right thing to move working families and the

middle class forward. Voters are looking for positive steps to address the growing income inequality and a shrinking middle class.

As we stated in the full page ad we ran in last week's Hartford Courant, Connecticut doesn't have a budget problem. Connecticut has a fairness problem.

The governor has repeatedly said that we are in a new economic reality. But that's not how it feels to middle class families who have been feeling the squeeze for more than 25 years.

It feels more like the same old cycle of politicians closing short-term budget shortfalls with the sacrifices of working people – and ignoring the income inequality that has been growing and undermining the American economy.

There are avenues open to preserve the quality of life in Connecticut and make sure that all members of our society contribute equitably. I urge you to raise income taxes on the 1% and consider other revenue sources, instead of placing all the burden on the hard working middle-class citizens of Connecticut.

Thank you for your attention. I'd be happy to answer any questions you may have.