



A Plan Forward for Connecticut

January 27, 2010

Connecticut is one of the most beautiful states in the nation. It is full of friendly, proud, and diverse people. We have a rich history and a modern, forward-looking culture. We have some of the best academic and cultural institutions in the world. But Connecticut families are suffering from lost jobs and a weak economy. Our state government is broken and broke. People are frustrated that our legislature is dithering over details while Connecticut families, businesses, and towns are in crisis.

We need a new direction and new leadership that will deliver the opportunities and promising future our citizens want and deserve. We need change that will get Hartford working for us again. We need a plan that will keep businesses and young people from leaving our great state.

I have a plan that will get Connecticut headed back in the right direction. It is a plan that will restore a promising future by focusing on the four things that Connecticut families tell me they care about most and want to see changed. They are:

1. Bringing Back Jobs and the Economy
2. Reducing the Cost and Size of State Government
3. Reducing the Tax Burden on Connecticut Working Families
4. Changing the Way Business is Done in Hartford

Bringing Back Jobs and the Economy

Connecticut's unemployment rate rose to 8.9% in January. Since March of last year, Connecticut has lost 97,000 jobs causing untold hardship on individuals and families all over the state. Businesses and our young people see more opportunity elsewhere and are migrating out of state at an alarming rate. We can change this. Connecticut is rated one of the least 'business friendly' states in the nation. Our legislature keeps piling new and costly mandates on

businesses causing some to leave and others not to come here. Our state government is not doing enough to convince out of state employers to locate here. We must do better.

1. As Governor, I will focus on attracting new businesses with highly skilled, high paying jobs to Connecticut:
 - I will have the Governor's office and our state development agencies focus on the seven industries already identified as having high potential for Connecticut. The industries include:
 - Healthcare Services
 - Highly Engineered Manufacturing
 - Financial Services
 - Medical Devices
 - Alternative Energy Research and Development and Manufacturing
 - Pharmaceuticals
 - Biotechnology
 - I will reach out personally to targeted companies and dedicate a significant portion of my time to bringing businesses to Connecticut
2. I will immediately take action to make Connecticut more 'Employer Friendly':
 - I will review and work to repeal excessive state mandates, regulations, and fees that make it expensive for employers to hire Connecticut workers
 - I will change the attitude of our government agencies to be sure they understand the importance of supporting employers and their needs
 - I will seek to simplify and expedite state approvals for employers seeking to locate in Connecticut or make investments here that will create new jobs
3. I will immediately provide a package of incentives to lenders for extending more credit and capital to small and start-up businesses
4. I will work to develop and market the 'Knowledge Corridor' from Enfield to New Haven as a unique national asset combining our well-educated and highly skilled workforce with some of the best academic institutions and infrastructure in the nation
5. I will immediately convene the heads of CDA, DECD, and Connecticut Innovations and order them to prepare a comprehensive plan for bringing businesses to Connecticut including a means for obtaining more coordination and cooperation between them

6. I will order the Commissioner of Transportation and the Transportation Strategy Board to ensure that the needs of employers are incorporated into the state's transportation master plan

Reducing the Cost and Size of State Government

Every day, Connecticut families discuss and make difficult decisions about how to make ends meet. But while they are cutting back expenses and struggling to pay bills, Hartford just keeps on spending their tax dollars as if there was no tomorrow. State general fund spending, despite a large estimated deficit this year, is projected to increase another 8% by 2012. Spending at a level so far above state revenues is not only reckless and irresponsible, it is unconstitutional in Connecticut. Spending by the legislature must come down.

1. As Governor, I will order a comprehensive review of our state government to make sure it is providing the functions and services citizens need and expect from it, but not more. We are well past the time when we can afford having government do everything. I will be guided by the principle that government should be limited to:
 - Providing for the security, safety, and protection of citizens
 - Providing essential services and support for the needy
 - Assuring good and fair educational opportunities for all
 - Providing and maintaining essential public assets such as roads, public transportation, and our beautiful state parks and recreational areas
 - Protecting citizens' quality of life by protecting our natural assets, providing an environment in which the private sector can sustain and grow well-paying jobs, and assuring the freedoms guaranteed in our constitution
2. I will also order a comprehensive analysis of how your taxpayer dollars are being spent and determine the most fair and balanced ways to reduce spending
 - I will find and eliminate any wasteful or duplicate spending
 - I will apply 'best practices' and 'comparative costing' from the private sector to reduce costs
 - I will invest in improved information technology and systems to help our state work force be more productive
 - I will work with private contractors who provide care and other services for the state to reduce the cost of those services by five percent without reducing service levels

- I will seek to reduce state Medicaid costs by promoting wellness programs, capping medical malpractice claims, and negotiating better contracts with providers
 - I will seek a revision of our statutes to prevent the state from ‘double paying’ for students who attend magnet and charter schools, as happens now
 - I will shift to private service providers where it can be shown that they provide equivalent or better services at lower cost than the state can provide directly
3. Cost reductions will start at the top:
- I will not use taxpayer money to finance my campaign. I don’t believe a candidate for Governor can credibly stand for reducing the cost and size of government if they begin by accepting \$4.5 million of taxpayer money to pay for a campaign
 - I will not accept a salary as Governor
 - I will reduce the cost of the Governor’s office by 10% and will call on other constitutional officers to do the same
 - I will eliminate all executive branch Deputy Commissioner positions

Reducing the Tax Burden on Working Families

Connecticut households, on average, will pay over \$8600 in state taxes this year, or one in every eight dollars of average household earnings. The Tax Foundation ranks Connecticut as having the highest state and local taxes per capita in the nation at 63.6% above the national average. Our state taxes per capita are significantly higher than our neighbors in New York and New Jersey. If there is no reduction in spending and we have a balanced budget, which is required by law, average taxes per household will shoot up to over \$10,000 in 2012. Our state taxes are way too high a burden on working families and must be brought down.

1. As Governor, I will order a top to bottom review of state tax policy to ensure the way we tax our citizens and our businesses is fair and equitable, doesn’t put us at a disadvantage versus other states, and supports strong economic growth and job creation.
 - I will compare our tax rates and tax policy to other states, particularly neighboring states, to be sure our taxes are not driving businesses and working families away from Connecticut
 - I will aggressively reduce spending so that we can reduce taxes and still comply with our constitutional requirement to balance the state budget
 - I will increase transparency so that Connecticut taxpayers aren’t being hit with “stealth taxes” they can not see, such as the gross receipts tax on gas stations

- I will work with the legislature to agree on a bi-partisan, long term tax policy for Connecticut that is based on sound economic policy and fairness, and which puts an end to the old-world politics of pitting groups of citizens or regions of the state against each other

Changing the Way Business is Done in Hartford

Hartford has developed an insider culture, much like Washington, where career politicians and special interests spend all their time talking to each other, rather than listening to the needs of Connecticut families. The legislature never met a special interest spending request that it didn't like. The legislature spends most of its time approving ways to expand government and taking care of pet projects and special interests. Then at the very end of the session, the legislature rushes around playing games with the numbers and finding new ways to tax Connecticut families and businesses to pay for it all. This is one "Connecticut steady habit" that must stop.

1. As Governor, I will produce a comprehensive budget highlighting for the citizens how we can reduce the size and cost of state government. I will use my 25 years of executive experience and negotiating skills to bargain hard with the legislature to protect that budget and I will let the citizens know when and where the special interests are inappropriately influencing the process
 - I will seek a stronger line item veto and then use it to protect spending reductions and block attempts by the legislature to raise taxes
 - I will not be afraid to make tough decisions to protect the future of our state
 - I will work hard to generate a more bi-partisan, cooperative culture in Hartford focused on solving problems rather than partisan bickering and infighting
 - I will work hard during my campaign to elect candidates for the House and Senate who support my plan and who are focused on working together to solve the state's problems
2. I will act immediately to increase transparency in Hartford and eliminate deceptive practices that have become common practice in our capital
 - I will recommend that Connecticut immediately adopt Generally Accepting Accounting Principles ('GAAP') for its budgeting. Connecticut is one of the few states which have not yet adopted GAAP, the accounting standard all public companies are required to use. By not using GAAP, Hartford is able to hide many expenses from the public
 - I will immediately move to eliminate loopholes that allow funds intended for dedicated purposes such as investing in our transportation infrastructure and

supporting our schools to be used instead by the legislature for general fund pet projects

- I will eliminate other ‘tricks of the trade’ Hartford uses to avoid compliance with our prudent state spending cap and constitutional requirement to balance the budget
 - I will put an end to the Bonding Commission borrowing to pay for ordinary operating expenses, an irresponsible practice that the legislature is currently using to avoid cutting spending
 - I will insist that the state upgrade its internet portal to make it easier to use, provide citizens the opportunity to transact more business with the state on-line, and provide more transparent information about what your state government is doing with your money
3. I will end the practice of Hartford imposing unfunded mandates on towns and otherwise restricting towns’ ability to conduct their business
- I will review and seek repeal of mandates on towns that unnecessarily raise their costs
 - I will work to assure that Connecticut’s towns have more of a voice in determining state policy and decision-making by holding quarterly forums including town leaders, legislative leaders, and the Governor
 - I will work with the legislature to produce timely budgets so that towns can better plan their own budgeting
 - I will work to assist towns who want to participate in regional cost sharing by, for example, allowing joint permitting and otherwise simplifying the process and reducing the cost of complying with state laws

Summary

This Plan Forward for Connecticut represents a clear change in direction for Hartford. The plan emphasizes the need for more effort and engagement by your state government to fix the problems in our economy and restore jobs. The plan sets forth the urgent need to reduce state spending and how we can achieve that goal. The plan recognizes the already very high tax burden on Connecticut families and the need to lower this burden. The plan recognizes voters’ frustration with Hartford and outlines how we can make Hartford more transparent and more responsive to the needs and will of our citizens and towns. As soon as I am elected, I will get to work on this plan and get Connecticut working again.

Paid for by Tom Foley for Governor

Larry J. Lawrence, Treasurer | Approved by Tom Foley