



C O N N E C T I C U T

GENERAL ASSEMBLY

FOR IMMEDIATE RELEASE
November 5, 2009

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It's Back! Legislative Republicans Reset "Deficit Clock" *Call for Immediate Action on FY10 Deficit*

Hartford, CT - Legislative Republicans today called for immediate, bipartisan action to close the FY10 budget deficit, which the State Comptroller has pegged at \$624 million. To illustrate the need to act with a sense of urgency, Republicans reset and reintroduced the "State Deficit Clock," which calculates the rate of growth of the FY10 deficit on a second-by-second basis.

"When Republicans first unveiled the deficit clock in January, Democrats ignored our warnings and rejected our mitigation proposals. As a result, they ended up borrowing \$1 billion to close the books on FY09 and then adopted a purely partisan FY10-11 budget that relies on one-time gimmicks, tax hikes and more borrowing; further increasing debt service and burdening future generations. Worst of all, the budget failed to make any meaningful spending reductions and was out-of-balance upon passage," **said Senate Minority Leader John McKinney (R-Fairfield)**. "This time we need to act immediately and in a completely open, transparent and bipartisan way to reduce the size and cost of state government. As we have said for more than a year, the longer we wait, the bigger our deficit gets and the more difficult our decisions become."

Senator McKinney and House Republican Leader Lawrence F. Cafero Jr. (R-Norwalk) were dismayed by the Democrats' apparent indifference to a recent wave of negative economic reports and deficit projections.

"What will it take to convince legislative leaders that continued spending at the state level threatens to make Connecticut insolvent?" **said Representative Cafero**.

Prior to the Comptroller's latest report, on October 19th consensus forecasting projected a \$168.4 million revenue shortfall for FY10. Two days later, the Office of Policy and Management projected a \$388.5 million budget deficit. And on October 27th, Moody's Investor Service downgraded the outlook on Connecticut's credit rating, diminishing the state's ability to sell bonds. As justification, Moody's cited the new state budget's overreliance on revenue from one-time gimmicks, borrowing, and wealthy tax payers whose income levels remain volatile. Moreover, a record 9,545 businesses closed in the first nine months of 2009. The state reported 6,600 job losses in September alone and unemployment stands at 8.4%.

State Deficit Clock

- The Senate Republican deficit clock calculates the fiscal year FY10 estimated budget deficit;
- The FY10 deficit, as determined by the State Comptroller on 11/02/09, is \$624 million;
- This estimate does not include \$473.3 million in unspecified savings that will not be realized unless significant policy changes are enacted;
- Connecticut's deficit is growing by \$1.7 million per day!

A representation of the clock, which was on display today at the State Capitol, can be viewed at www.senaterepublicans.ct.gov.

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