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State Employees Bargaining Agent Coalition

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- ▶▶ American Association of University Professors – Connecticut State University
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- ▶▶ Connecticut Association of Prosecutors
- ▶▶ Connecticut Employees Union Independent/ SEIU Local 511
- ▶▶ Connecticut Federations of School Administrators Local 61
- ▶▶ Connecticut Police and Fire Union/IAFF-IUPA
- ▶▶ Connecticut State Police Union
- ▶▶ CSEA SEIU Local 2001
- ▶▶ International Brotherhood of Police Officers/SEIU Local 731
- ▶▶ New England Healthcare Employees Union, District 1199/SEIU

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June 23, 2009

Honorable M Jodi Rell
Governor of the State of Connecticut
210 Capitol Avenue
Hartford, CT 06106

Re: A Fair State Budget Requires a Shared Sacrifice

Dear Governor Rell:

As June 30th draws ever nearer, we write to ask you to find common ground with Connecticut's legislative leaders on a budget that would protect our state and our economy in these difficult times. Most particularly, we ask you to include increasing the tax rates for those most able to afford to invest in Connecticut as a key part of a budget solution.

We know you share our concern about the impact the cuts you've proposed will have on the people of this state. You've called them "painful" but necessary, even though they include cuts in vital services like healthcare, transportation, education, job training, and aid for the disabled and elderly.

Many of these cuts, however, would not be "necessary" if Connecticut's wealthiest residents and most profitable corporations were asked to pay their fair share. We respect the view that increasing the top tax rates on Connecticut's wealthiest would be worse for the economy than the cuts you've proposed on Connecticut's neediest and on the middle class. We also believe it's dead wrong.

We ask you to consider the following indisputable facts:

- (1) The consensus of economists, including Nobel Prize winners, is that tax increases on the wealthy are better than spending cuts in a down economy. Their view is that tax increases have little impact on the in-state spending habits of the wealthy, while public spending cuts come directly out of Connecticut's already depressed economy.
- (2) As you have pointed out, "The top income tax in New York and New Jersey is nearly 9 percent and Rhode Island's is just under 10 percent – while Connecticut's top rate is still 5 percent." New York City's top rate is far higher.

- (3) The wealthy in Connecticut pay less than half as high a percentage of their income in state and local taxes as the middle class does, and only a third what low-wage earners pay.
- (4) Many of the cuts you propose will only cost the state more in the future, leaving us at risk of a new budget crisis, and a continuation of the current vicious cycle.

Coming from very a different perspective, you were able to find common ground with us on a concessions package that allowed state employees to do their part in helping with our economic crisis. In so doing, you pointed out to the press that layoffs in this economy are bad for everyone, since they simply lead to more layoffs. True indeed.

But the reason layoffs lead to more layoffs is that laid-off workers spend less, thus reducing the demand for goods and services in the economy and leading other employers to layoff their workers. *But cuts in public services have exactly the same impact.* By removing that spending from Connecticut's economy, they reduce the demand for goods and services and will lead other employers to lay off workers.

Your latest budget proposals thus lead to exactly the situation you were trying to avoid with the concession agreement.

You were also a strong supporter of President Barack Obama's stimulus package, which as you know is based on using increased public spending to increase economic activity. Its goal is to stem the tide of layoffs, foreclosures, and bankruptcies which is causing such suffering throughout our state. But your budget proposals would remove far more public spending from Connecticut's economy than the President's stimulus package puts in. The net result -- instead of increased spending to jump start the economy -- would be decreased public spending, and a further weakening of our economy.

The disastrous consequence for Connecticut would be more layoffs, foreclosures, and bankruptcies.

Governor, we share your pride in our state. We don't believe, however, that its wealthiest residents are unwilling to do their share to help us out of our crisis, or want our state forced to make more devastating cuts. In fact, studies have shown that the wealthy and large corporations choose the states in which to locate not because of a lower state income tax rate, but because of the higher quality of life it offers.

The three biggest factors identified by corporate relocation specialists in choosing a state are quality of life, transportation, and an educated workforce. To come out of this crisis and build a better future, Connecticut will need the resources to address its transportation crisis, to overcome growing challenges in its education system, and to protect its quality of life. A budget based instead on deep and painful cuts thus will not only prolong the recession, it will leave us ill-suited to address the challenges we will need to protect Connecticut's future, including those needed to attract the wealthy and large corporations to our state.

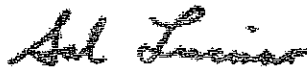
All of us are making painful choices. Our unions' members gave up wage and health benefits they hold dear. Legislators have accepted the inevitability of cuts in programs they believe strongly protect Connecticut's most vulnerable and working families. And of course people throughout this state are making sacrifices that would have seemed unimaginable only a year ago.

We ask you to join with legislative leaders, and accept the need for Connecticut's fortunate few to help solve this crisis, too. Ultimately, it's what is needed to protect the state we love, and the economy upon which even the wealthiest depend, just like the rest of us do.

Sincerely yours,



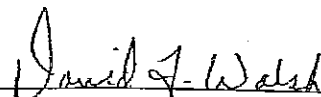
William J. Boucher, President
Connecticut Police and Fire Union



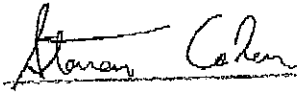
Salvatore Luciano, Executive Director
American Federation of State, County
and Municipal Employees - Council 4



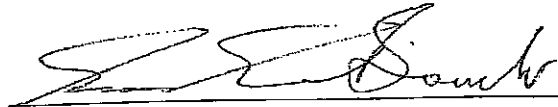
Steve Rief, President
Connecticut State Police Union



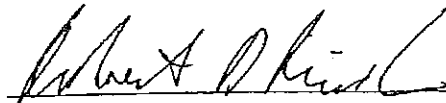
David Walsh, President
Connecticut State University-
American Association of University Professors



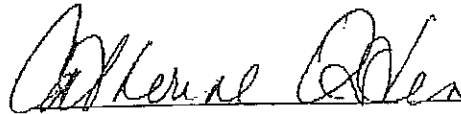
Steven Cohen, President
Congress of Connecticut Community Colleges,
SEIU, Local 1973



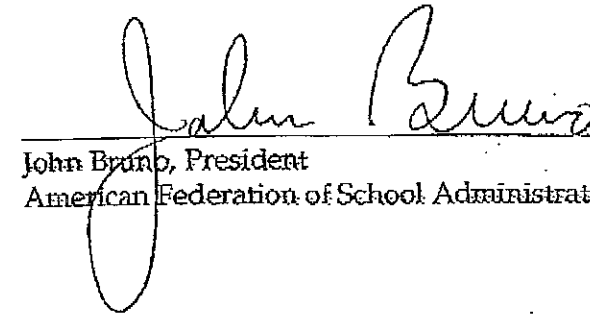
Carmen Boudier, President
SEIU Healthcare, 1199NE



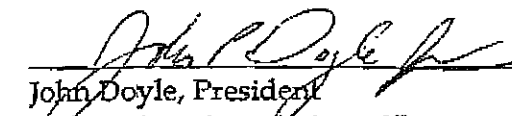
Robert Rinker, Director
Connecticut State Employees Association,
Service Employees International Union, Local 2001



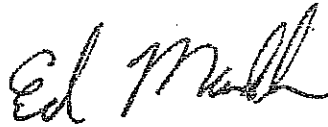
Catherine Osten, President
Connecticut State Employees Association,
Service Employees International Union, Local 2001



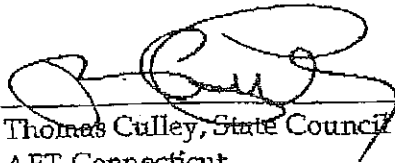
John Bruno, President
American Federation of School Administrators, Local 61



John Doyle, President
Connecticut Association of Prosecutors



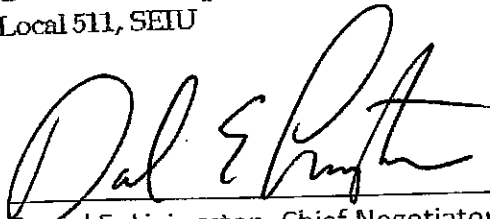
Ed Marth, Executive Director
University of Connecticut-
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Thomas Culley, State Council Vice President
AFT-Connecticut



Ron McLellan, President
Connecticut Employees Union Independent
Local 511, SEIU



Daniel E. Livingston, Chief Negotiator
State Employees Bargaining Agent Coalition

cc:

Honorable Christopher Donovan
Speaker of the House
Majority Leader Denise Merrill
Minority Leader Larry F. Cafero
Honorable Donald Williams
President Pro Tempore
Majority Leader Martin Looney
Minority Leader John McKinney