

Lawmakers should consider their own wasteful spending

The global economic crisis is hitting home. The Connecticut General Assembly is frantically looking for ways to provide other revenue sources for the state and municipalities. There are many bad ideas floating around that demonstrate an inability to consider the consequences.

For example, the General Assembly, itself a beneficiary of the go-go economic days when money seemed limitless, is looking to tax not-for-profit organizations that are a potential lifeline to thousands of Connecticut residents.

Before burdening these important not-for-profit agencies, the General Assembly should examine its own activities and spending. The Legislature last year drafted more than 3,300 pieces of legislation, of which 1,444 made it out of committee and 205 actually passed. Did we really need 205 more laws in Connecticut? Was all the time and money spent on more than 3,000 proposed pieces of legislation worth the money spent by taxpayers?

The General Assembly is intended to be a part-time legislature. Yet, the budget of this lawmaking body has swelled more than 90 percent in the past 15 years. General state spending has increased about 66 percent during the same time. Granted, the budget of the General Assembly is a small part of the entire state budget, but it has nearly doubled from \$35 million in 1998 to a hefty \$67.3 million today. The size and complexity of the General Assembly and its staff, as well as the enormous maintenance of the facilities in Hartford demands review.

There are 187 members of the General Assembly — 36 in the Senate and 151 in the House. Part of the increase in the General Assembly budget is due to the greater number of “leadership positions” created — from 170 in 1998 to 214 now.

The Civic Beat

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The top leaders are compensated more than committee chairman, who are compensated more than “regular” lawmakers. Whether a legislator is “regular” or another designation is a technical word game that enables the legislators to increase their salaries without having a public vote to do so.

Legislative staff has increased from 334 to 435 full-time positions. The House Democrats employ 82 people at an average of \$53,000 per year. Four of these positions are well over \$100,000. The House Republicans has 40 employees at an average salary of \$64,000. The Senate Democrats employ 72 people at an average of \$59,000. The Senate Republicans have 39 employees at an average annual salary of \$66,000.

It is in this context that legislators are thinking about permitting municipalities to impose fees for police services, fire protection and trash removal on some tax-exempt organizations, such as charities, hospitals and private schools that now are not taxed. How municipalities would calculate service fees is not clear. The vague legislation says the charges must be uniform and based upon the square footage of the tax-exempt property.

This is particularly alarming in light of all the services that not-for-profit organizations provide people in need. The need will only increase during this economic meltdown.

For example, the Connecticut Hospital Association reports that in 2008, 23 of the 28 not-for-profit hospitals in Connecticut did not collect enough money from patients to cover the hospital's costs.

This is because hospitals are required to care for sick people in emergency rooms regardless of their ability to pay. This is a good policy and the state of Connecticut supports this charity care by not taxing hospitals.

The Connecticut Conference of Independent Colleges reports that private colleges will cut back programs, jobs and construction plans because of the recession. In addition, endowments used to give financial aid have lost value, which will result in fewer college enrollees. All this will result in inevitable employee layoffs.

Fees required of organizations, such as the Y and other service organizations, will result in reduced child care and other programs that provide direct services to people.

There is a popular and relevant public policy that supports not taxing organizations that exist for charitable purposes: These organizations do not make a profit and they provide services and/or care for people who would otherwise not receive any. Society supports the efforts of non-governmental not-for-profits by exempting them from federal and state taxes. This should not change now.

As of January 2009, Connecticut's unemployment rate grew to 7.9 percent. Torrington's unemployment is 8.1 percent. Waterbury's unemployment is the highest in Connecticut at 10.4 percent. More and more people need the services provided by not-for-profit organizations. It is short-sighted to tax entities that provide essential and necessary help for the growing number of Connecticut residents in need.

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