



## **A Plan for Restoring Pride and Prosperity in Connecticut**

Connecticut is an amazing place. We have the convenience of big cities and the serenity of rolling countryside. We have excellent universities, strong civic engagement and a long, colorful history. We have a tradition of innovation and ingenuity. We have industrious, hard-working people.

With all these assets, Connecticut should be doing better than it is. We aren't because we are being held back by Governor Malloy's progressive agenda and anti-business policies.

With new leadership and smarter, reform-oriented policies we can get Connecticut back on track. Connecticut's citizens need and deserve more from their state government. Pride and prosperity in Connecticut aren't that far away, but they are in a different direction from where we are headed under Governor Malloy.

This plan focuses on the five things that matter most to Connecticut families and the state's future:

- 1. Restoring A Vibrant Economy, Creating Better Paying Jobs, And Making Connecticut More Affordable.**
- 2. Getting Control Over The Size And Cost Of State Government**
- 3. Reforming Our Tax Code To Stop Driving Businesses And Taxpayers Out Of Connecticut**
- 4. Fixing Our Underperforming Schools**
- 5. Changing The Way Business Is Done At The Capitol**

## **Restoring A Vibrant Economy, Creating Better Paying Jobs, And Making Connecticut More Affordable**

Connecticut's unemployment rate remains unacceptably high at 6.6%, significantly higher than the national average. The nation has recovered 105% of non-farm jobs lost during the recession, but Connecticut has only recovered 64% of non-farm jobs – one of the worst job recovery rates in the nation. Connecticut's economy has grown only 3% since the depths of the recession – the lowest growth rate in New England - while our next door neighbor Massachusetts has grown 11%.

Since Governor Malloy was elected, non-farm job growth has slowed from 24,000 per year in 2010 to about 15,000 per year in 2011-2013 and only 9,200 jobs in the last year. Families are feeling the “Big Squeeze”. Governor Malloy's policies have resulted in private sector wages actually dropping in the last year while those same policies have driven up the cost of living. Connecticut is simply becoming unaffordable for many families. Businesses and our young people see more opportunity elsewhere and are migrating out of state at an alarming rate. Something is definitely wrong with the direction we are headed. We can and must do something to turn it around.

Connecticut is rated one of the least ‘business friendly’ states in the nation. Our Governor and legislature keep piling new costs and inconveniences on businesses causing some to leave and others not to invest here. Our state government is not doing enough to convince in-state employers to invest in new jobs and out of state employers to locate here. We can and must do better:

1. As Governor, I will focus on adding more high value-added, high paying jobs to Connecticut:
  - I will have the Governor's office and our state development agencies focus on supporting 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 convincing them that Connecticut is the place they should be.

2. I will make Connecticut a place where businesses want to stay and invest. Right now state government is anti-business while at the same time doling out billions of taxpayer dollars to bribe companies to stay here. That's like stepping on the brake and the accelerator of a car at the same time. It doesn't work. Instead:

- I will conduct a "Red Tape review" to eliminate regulations and paperwork that unnecessarily burden businesses and everyday citizens.
- I will eliminate the "business entity tax" for businesses with fewer than fifty employees to encourage innovation and help small businesses grow.
- I will immediately begin a dialogue with fellow business leaders about how we can help them succeed and grow in Connecticut.
- 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 approvals for employers seeking to locate in Connecticut or make investments here that will create new jobs.

3. 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.

4. 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. The master plan must reduce traffic congestion and improve the reliability and speed of Connecticut's railroads.

5. I will require that all contracts financed with state funds fulfill a "Connecticut Content" goal that will ensure that jobs under those contracts go to Connecticut citizens.

6. To reduce the cost of living, I will end the mandates and other costs that have been added to electricity bills by Governor Malloy, I will reduce the sales tax by 0.5%, I will eliminate taxes and fees that cost more to collect than they generate in revenues, I will work with healthcare providers to reduce the cost of healthcare services, and I will work with cities and towns to reduce property taxes.

## **Getting Control Over The Size And Cost Of State Government**

Every day, Connecticut families discuss and make difficult decisions about how to make ends meet. While they deal with job uncertainty and struggle to pay bills, the Capitol just keeps on spending their tax dollars as if it were free money. Since Governor Malloy took office, spending has increased over 15% or \$3 billion – more than five times the rate of growth of Connecticut’s economy. Failing to get control over spending has squandered the \$1.8 billion tax increase Governor Malloy handed Connecticut taxpayers. Spending at a level so far above what families can afford is reckless and irresponsible. Under Governor Malloy, spending growth has exceeded the amount allowed under the spending cap promised to the citizens when the income tax was adopted.

1. As Governor, I will hold spending flat for two years to stop the growth in the size and cost of state government.
2. 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. 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.
3. I will order a comprehensive review of how your taxpayer dollars are being spent to eliminate wasteful spending and improve what the citizens get for their money.
  - I will direct every department head to find productivity improvements so they can provide the same level or better services while reducing their costs.
  - I will apply ‘best practices’ and ‘comparative costing’ from the private sector to reduce costs.

- I will end pension fraud and abuse such as appointing judges and commissioners near retirement age in order to qualify them for multi-million dollar pensions.
- 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 healthcare services for the state to reduce the cost of those services by at least five percent without reducing service levels.
- I will work with health care providers to reduce the cost of delivering healthcare services to all of Connecticut's citizens.

## **Reforming Our Tax Code To Stop Driving Businesses And Taxpayers Out of Connecticut**

In 2010, the average Connecticut household paid \$8,800 in state taxes, or one in every eight dollars of average household earnings. In 2011, Governor Dan Malloy enacted the largest tax increase in state history— \$1.8 billion a year. By 2013, the average Connecticut household paid \$11,639 in taxes, an increase of nearly \$3,000 per household, or one in every six dollars of average household earnings. According to the Tax Foundation, Connecticut's state and local taxes per capita are among the highest in the nation.

As Governor, I will order a top to bottom review of state tax policy to ensure that the way we tax our citizens and businesses is fair and equitable, doesn't put us at a disadvantage to neighboring states, and supports economic growth and job creation.

- I will lower taxes on Connecticut's hardest hit families by cutting the sales tax, the states most regressive tax, by half a percent.
- I will immediately eliminate any tax or fee that is not cost-effective for the state to collect.
- 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 individuals away from Connecticut.
- I will work with cities and towns to reduce property taxes—particularly for seniors, many of whom are forced out of their homes because they can no longer afford them.

- I will increase transparency so that Connecticut taxpayers aren't being hit with "stealth taxes" they cannot see, such as hidden taxes on electricity and gas.
- 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.

## **Fixing Our Underperforming Schools**

I will fix our underperforming schools with "real" education reform. We must do this to ensure every young person in Connecticut gets a fair start with a decent education. "Real" reform does not mean interfering with local control of schools that are performing well. Where schools are not performing well, I will:

- Make sure no child is trapped in a bad school—it is not fair. The American promise of fairness and opportunity is not there if a child cannot get a decent education. Parents with children in underperforming schools should be able to choose among other in-district public schools.
- Implement "money follows the child" including a variable grant amount based on a student's need.
- Provide more support for teachers who are the most important factor in educational outcomes.
- Improve transparency and introduce an A-F school grading system to give educators and parents the information they need to make sure every child is given a good education.
- Ensure that no one slips through the cracks by requiring that third graders pass a reading test before being allowed to go on to fourth grade and that high school students pass a regents-style exam before graduating.

## **Changing The Way Business Is Done At The Capitol**

The Capitol 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 everyday people. The legislature spends too much of its time finding ways to expand government and hand out goodies to constituents and not enough time enacting good long term policy to ensure a bright and secure future for the state's citizens.

1. I will produce a comprehensive and transparent budget that highlights for citizens exactly how their tax dollars are being spent. I will use my 30 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 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 work hard to generate a more bi-partisan, cooperative culture at the Capitol focused on solving problems rather than partisan bickering and infighting.
- I will work hard 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 at the Capitol and eliminate deceptive practices that have become common practice.

- I will recommend that Connecticut immediately adopt Generally Accepting Accounting Principles ('GAAP') for its budgeting. Despite Governor Malloy's promise to do so, Connecticut still has not fully adopted GAAP accounting for its budget, the accounting standard all public companies are required to use. By not using GAAP, politicians are able to create the appearance of balanced budgets when they are actually billions in deficit.
- 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 expenses.
- I will eliminate other 'tricks of the trade' politicians use to avoid compliance with our prudent state spending cap and constitutional requirement to balance the budget.

- I will put an end to the practice of borrowing money to pay for ordinary operating expenses, a reckless practice that Governor Malloy and the legislature are currently using to avoid cutting spending.
3. I will end the practice at the Capitol of imposing unfunded mandates on towns and otherwise restricting towns' ability to conduct their own business.
    1. I will work to ensure 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.
    2. I will work with the legislature to produce timely budgets so that towns can better plan their own budgeting.
    3. I will work to assist towns who want to participate in cost sharing by, for example, allowing joint permitting and otherwise simplifying the process and reducing the cost of complying with state laws.
  4. I will raise the ethics and conflict-of-interest standards for my administration and will ask the legislature to do the same.

## **Guiding Principles**

The following principles will guide the policy and running of a Foley administration:

- I will bring the brightest, most experienced and most committed public-minded people available into my administration regardless of their political affiliation.
- Policy decisions will be based on what is in the best long term interests of the citizens of Connecticut, not short term political interests.
- I will require ethical standards in my administration that are as good as or better than the standards that apply to the most ethical private sector organizations.
- I will require absolute honesty and transparency in my administration to restore public confidence in state government.
- I will faithfully represent all the citizens of the state, whether supporters of mine or not, and I will be the voice of and protector of the interests of everyday citizens at the capitol.



## **Summary**

This Plan for Restoring Pride and Prosperity in Connecticut represents a major change in the direction of our state. The plan emphasizes the need for more effort and engagement by your state government to fix our problems and enact smarter policies that will protect your future. The plan sets forth the urgent need to get control over state spending and how we can achieve that goal. The plan recognizes that Governor Malloy's tax increase and other policies have hurt the economy and raised the cost of living which is driving families and employers out of state. We must ease these burdens. The plan recognizes voters' are fed-up with state government and outlines how we can make state government more effective, more transparent and more responsive to the needs and wants of our citizens. As soon as I am elected, I will get to work on this plan for restoring pride and prosperity to our great state.

Paid for by Foley for CT

Larry J. Lawrence, Treasurer | Approved by Tom Foley