



# THE CAPITOL UPDATE

AN UPDATE ON  
CONNECTICUT STATE  
GOVERNMENT AND  
POLITICS FROM  
THE GOVERNMENT  
AFFAIRS GROUP OF  
MURTHA CULLINA LLP

## What's Ahead?

The 2008 session of the Connecticut General Assembly will convene on February 6 for a three-month sprint to its constitutional ending date in May. The session will open with the traditional ceremonial speeches, an initial spate of goodwill and the filing of legislation by the Governor and the legislative leaders that will largely define the measures to be considered in this “short session” of the General Assembly.

Members of the legislature are still catching their breath after seemingly endless rounds of negotiations to approve the state’s biennial budget last July and the overdue bond package in October. This extra effort to pass the state budget followed on the heels of the exhaustive deliberations required to pass historic health care and energy bills last session. The lack of a formal break for the part-time legislature has many of its members looking forward to a more modest agenda for 2008 with minimal political infighting as the election season approaches. Of course, such a scenario depends on everyone’s cooperative spirit, a commodity that has been in short supply in Connecticut politics in recent years.

In this context, what acts of good government will motivate the administration of Governor Rell and the members of the legislature in 2008? Although the barometer continues to fluctuate, and our crystal ball remains a bit cloudy, our keen sense of political tides allows us to predict the issues which will rise to the top of next session’s agenda.

## Going Green

With melting polar ice caps, confounding weather patterns, disappearing amphibians, battles over fuel efficiency standards and Al Gore’s crusade to remind us of the self-destructive nature of mankind, the stage is set for a host of interest groups to press the state to “go green.” This fall, Governor Rell jumped out

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ahead of the publicity on conservation with a “One Thing” Connecticut promotion, asking all citizens, every day, to contribute to energy conservation through personal efforts. Similar calls for conservation followed in November in a detailed report released by the Legislative Peak Oil and Natural Gas Caucus, a group formed to review the relationship between the demand for oil and supply.

Last session, the legislature enacted a series of measures to increase the state’s “green building” requirements, promote renewable power, support energy efficiency programs and establish a statewide energy conservation outreach program. Governor Rell instructed all state and quasi-state agencies to reduce energy consumption in all buildings by 10 percent. The legislature is likely to build on these efforts through additional incentives to construct and lease green buildings and promote the purchasing of green products—everything from cleaning products to low-emission vehicles.

As part of the effort to clean up our air, Connecticut has become a member of the Regional Greenhouse Gas Initiative (RGGI), a cooperative of ten Northeastern and Mid-Atlantic states. These states are working together to develop a “cap and trade” program to reduce carbon dioxide emissions from electric power generation facilities. The goal of the “cap and trade” program is to tax carbon emissions from these plants, encouraging the generation of electricity from cleaner power plants and renewable sources of energy. The debate in the regulatory community today is focused on the level of tax needed to successfully conduct this program, recognizing the ultimate cost of these taxes will be borne by the energy consumer.

A battle that has raged at the Capitol for a number of years promises to resurface again in 2008 when various legislators and special interest groups put forth yet another version of an expanded bottle bill. Buoyed by their success last year in getting the bill through the Senate, as well as the legislature’s adoption of an electronic waste (e-waste) disposal program, environmentalists are likely to push to expand the list of beverage containers covered under the current redemption law to include containers for water and other noncarbonated, nonalcoholic, and nondairy beverages. A key issue in this battle has been the 5 cent bottle deposit and how that money is used to keep the recycling program functional and successful.

## Energy

Despite passage of last session’s 165-page energy bill supporting energy conservation, energy efficiency standards and demand side energy management, we will likely see new calls in 2008 for additional conservation and an emergency energy relief program based on the unprecedented cost of home heating oil this winter. With 50 percent of Connecticut households heating with fuel oil, a state health emergency for the elderly, poor and even middle-class, can be forecasted if temperatures plunge much below winter

averages. On a somewhat brighter note, the portion of Connecticut homes warmed by natural gas should see fuel costs in line with last year's seasonal bills due to higher than expected volumes of gas nationally.

Gasoline will continue to be the *bête noir* of household budgets, draining limited dollars from the retail market. With international consumption of fossil fuels reaching record levels, there is little relief in sight for consumers of oil. Despite calls by the Saudis and the United Arab Emirates to increase OPEC production, the price of oil continues to hover between \$95 and \$100 a barrel. The average cost to fill a 15 gallon tank at the gas pump is now \$48.30, up \$13.25 from a year ago.

## The Economy

Nothing should trouble Connecticut policy makers more than the state's economic outlook. Connecticut's current economy is relatively healthy, spurred on by surges in the financial services sector and sustained defense spending. As a consequence, the state budget has rung up a series of surpluses, ending the recent fiscal year with a gross surplus of \$1.1 billion.

The worm appears to be turning, however, with disturbing news on the state's economic future. Recent Federal Reserve forecasts indicate a slowing of the national economy. The continuing fallout from the sub-prime mortgage market, with 71,000 active sub-prime mortgage loans in Connecticut alone, the higher cost of imports and the impact of skyrocketing energy costs leave our state budget vulnerable to a dramatic downturn in revenues. A clash between a 2 percent growth rate in the state's economy and the traditional 4.2% increase in the state's operating budget is inevitable. The impact will be greatest on individuals and organizations that rely on state revenues to support their services.

## Crime

Propelled by the heinous murder of three members of the Hawke-Petit family in Cheshire this past July, the Rell administration and the legislature have been working on a series of proposals to toughen the state's probation and parole requirements, make home invasions a violent crime, enhance the criminal justice information system, create a three-strikes law to place repeat violent offenders in prison for life and to expand the state's prison system. Each of these proposals carries a significant price tag, including an estimated \$110 million expenditure to construct a new 1,000-bed prison and another \$150 million for a 1,200-bed prison for inmates with mental health problems. Talk of expanding current prison facilities has already generated significant debate in the Enfield/Somers area where a number of medium and maximum security facilities are located. Local legislators have held public forums with the Department of Corrections

and have voiced grave concerns about specific plans to add an additional 114 beds at the Carl Robinson Correctional Institution. The legislature intends to convene a special session in January to address these issues.

## Health Care

Even with the passage of a \$337 million, two-year package of health care reform measures last session, there have been continued calls to take additional actions to support the delivery of affordable and accessible health care in Connecticut. As three separate state task forces work their way through mounds of health care data, support is building for some additional capital expenditures for hospitals and community health centers to support needed investments in physical plant improvements, the replacement of out-of-date equipment and the purchase of advanced technology. Proposals also are circulating for programs to train and retain health care workers, enhance state-wide health care facilities planning and create options to reduce inappropriate emergency room visits.

## The Electoral College

The arcane subject of the Electoral College, which routinely surfaces in social studies courses and on political science exams, is likely to make its appearance in the next session of the General Assembly as a result of hearings scheduled by legislative leaders to abolish the Electoral College system in Connecticut in favor of a plan that elects the President through a national popular vote. Under the terms of this measure, Connecticut would no longer send its seven electors to the Electoral College pledged to vote for a single candidate on the state's "winner takes all" rule. Instead, Connecticut's vote for President would be added to a national pool of votes and the winner would be selected through a straight popular vote. Maryland already has passed such legislation and eight states are considering national popular vote measures. The prime goal of this legislation is to make the voters in every state important, not just the 13 or 14 states with large blocks of Electoral College votes that get the most attention. The new national popular vote system would operate through an interstate compact and would only take effect if states representing a majority of the existing 538 electoral votes passed similar legislation.

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