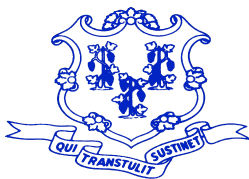


The Connecticut General Assembly



For IMMEDIATE Release
May 5, 2010

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REP. FONTANA ANNOUNCES BIPARTISAN BUDGET APPROVED

Budget balanced on time with no tax increases

State Representative Steve Fontana (D-North Haven) announced that the legislature has reached a bipartisan agreement with Governor M. Jodi Rell that balances the state budget through fiscal year 2011 with no tax increases, no cuts in municipal aid and a decrease for most residents' electric bills by an average of \$60 a year.

"I'm proud that, after many months of intense negotiations, we have reached an agreement with the governor that does not raise taxes and preserves critical services," said Fontana. "In these challenging economic times, it's more important than ever that we maintained our commitment to supporting programs for Connecticut's families and seniors, even as we reduced spending by another \$170 million."

The plan, which was approved by the General Assembly prior to the constitutional adjournment date of May 5, includes \$170 million in spending cuts across a host of state agencies and hundreds of millions of dollars in savings from a shorter term and lower interest rate on the issuance of \$956 million in Economic Recovery Bonds (ERBs).

The ERBs have an eight year term at a low interest rate of 3% and will be paid off using a small portion (one third) of two current charges on electric bills. As part of the budget, customers will see one of the charges reduced by over 60%. The net result for most electric customers will be a savings of about \$5 per month. As the economy continues to recover and revenues grow, the ERBs can be paid off earlier.

In addition, as an alternative to entering a much more expensive nursing home setting, seniors will see up to a \$300 per month cost reduction for certain home

care services that will save taxpayers millions of dollars over the long term.
AARP has endorsed the home care program.

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