

Assembly Ends With Flurry Of Activity; Governor Dissatisfied

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An exasperated Gov. M. Jodi Rell refused to deliver the traditional end-of-session speech to the legislature early this morning, saying that the Senate Democrats had allowed pettiness to derail her transportation plan and caused the session to end in disappointment.

Noting that the year started with high hopes, Rell said those aspirations were dashed as Senate Democrats failed to enact campaign finance reform and approve her \$1.3 billion road-and-rail proposal, which is seen as crucial for Fairfield County.

"I am disappointed and so, too, should the citizens of Connecticut be," Rell told reporters shortly before 11:30 p.m. "The legislature's work is not done."

Despite her concerns, Rell said the session was marked by some highlights - a measure setting aside \$10 million annually for stem cell research, state contracting reform, ethics and election reforms, banning use of handheld cellphones by drivers, improving early childhood education, and passing the state budget before the session ended.

Rell summoned reporters outside her Capitol office after Senate President Pro Tem Donald E. Williams of Brooklyn and Senate Majority Leader Martin Looney of New Haven said they would not pass her transportation plan until they had a deal on the bond package that includes hundreds of millions of dollars for construction projects and other improvements.

"We fully support the transportation package, and it will be approved by the General Assembly when Gov. Rell comes to the table and finishes the rest of the bond package," Looney said. "It is irresponsible to do one element of the package, without having a complete package for consideration by the legislature."

Rell's \$1.3 billion transportation program calls for \$667 million for 342 new railroad cars for the Metro-North Commuter Railroad and \$300 million for a new rail maintenance facility in New Haven. The plan would be funded through the sale of state bonds, and

some costs would be covered by raising the gross receipts tax on gasoline and other petroleum products over multiple years.

Critics, though, say ordering and constructing expensive new rail cars is a tedious process that takes years to complete. Rell describes the plan as the first large transportation investment in the past two decades.

Rell's plans have drawn cheers from Fairfield County legislators - both Republicans and Democrats - who have waited for years for railroad and highway improvements in their traffic-snarled county. They have described the plan as a "home run."

Rell's statements capped the busiest day of the year at the Capitol, as legislators raced toward the constitutional adjournment at midnight. From reforming medical malpractice and state contracting to extending a tax on real estate sales, the General Assembly approved key bills before stopping in exhaustion early this morning.

Many tired lawmakers were running on adrenaline and little sleep after a marathon week of debates in an attempt to finish the crush of work before the regular legislative session adjourned.

"Thank you for a great session," House Speaker James Amann said early this morning after the session ended with a prayer by the chaplain.

One of the most controversial issues at the Capitol in recent years - malpractice liability reform - generated one of the longest debates Wednesday before the House gave final legislative approval on a compromise bill. The watered-down measure did not include controversial caps on compensation for non-economic damages, which doctors have sought for years in an attempt to hold down multimillion-dollar awards in lawsuits.

Rell, like her predecessor, has reservations about the malpractice bill, and her staff said it was unclear Wednesday night whether she would sign the measure. Doctors applauded last year when Gov. John G. Rowland vetoed a similar bill because it did not contain caps.

Rell's spokesman said the governor will review the bill carefully before making a decision, but indicated that she does not believe the measure goes far enough to help doctors, particularly obstetricians, who say they are being driven out of practice by skyrocketing malpractice insurance premiums. Obstetricians and brain surgeons pay annual premiums as high as \$170,000, according to the Connecticut Medical Insurance Co., the largest liability insurer serving Connecticut doctors. This year's rate is more than double the amount in 2001.

Opponents, though, say the caps are unnecessary because the malpractice problem is limited to a small group of doctors who pay high premiums. For example, psychiatrists, ophthalmologists, and anesthesiologists all pay annual premiums of less than \$16,000, according to CMIC. Plastic surgeons, radiologists, cardiologists and oncologists all pay

less than \$33,000 annually.

The final bill, which Rell's staff helped craft, was the result of months of negotiation, but it seemed to please almost no one entirely. Even lawmakers who supported the legislation were figuratively holding their noses as they voted, with tepid comments about how it was "better than nothing."

"We're a little disappointed, and we don't think it's accomplishing the goals that were set out early in the session," said Ken Ferrucci, director of government relations for the 7,000-member Connecticut State Medical Society. "It's not going to harm physicians individually. It's just not going to help them with their malpractice premiums. We don't see it as a victory."

The doctors say the bill would reduce the rate of increase in premiums by only 1 percent to 2 percent, meaning that overall premiums will still increase when the new rates are issued in July.

Trial lawyers, however, who have strenuously opposed caps on non-economic awards, were celebrating - albeit quietly.

"This has been a sort of phony war that has been portrayed as doctors vs. lawyers. It's not," said Rick Newman, president of the Connecticut Trial Lawyers Association. "It remains an insurance issue. We need better regulation of the insurance industry and better oversight. This bill will do that. At some point, we need to deal with the HMOs and the reimbursement rates."

The legislation approved by the House on a 105-43 vote would reduce the interest added to some malpractice judgments from 12 percent to 8 percent, require prior approval from the state insurance commissioner for rate increase requests, and exempt a defendant's apology as a legal admission of guilt. The bill also requires doctors to take continuing education classes to stay current with changing medical practices.

An attempt by Republicans to amend the bill to place caps of \$500,000 and \$1 million on non-economic damages against doctors and hospitals, respectively, failed.

"When it comes to medical malpractice in Connecticut, I'll liken it to Rome," said House Republican Leader Robert Ward of North Branford. "Rome is burning, and the General Assembly is fiddling. We are better with nothing than with this."

But Rep. Michael P. Lawlor, co-chairman of the judiciary committee, said that caps would not be a cure-all.

"No one has ever said that if we adopt the caps, they will cut premiums for doctors," Lawlor said.

Real Estate Conveyance Tax

In a victory for the Connecticut Conference of Municipalities, the state Senate voted 24-12 to give final legislative approval for extending the real estate conveyance tax until July 1, 2007. The 0.25 percent tax had been scheduled to expire on June 30

In addition, 18 distressed municipalities, including Hartford, East Hartford, Bloomfield, Bristol, and New Britain, will be able to charge up to an additional 0.25 percent.

The bill turned into a battle between real estate agents and mayors as the two sides debated whether the tax has hurt real estate sales over the past two years. Even the proponents described the measure as a regressive sales tax, but they said there was no evidence that the tax had damaged the hot real estate market over the past two years.

"It had no impact whatsoever," said Sen. Ernest Newton II, a Bridgeport Democrat who said his city collects \$1.5 million annually in conveyance taxes. "The real estate people are selling homes, even with the conveyance tax."

But Sen. Judith Freedman, a Westport Republican, said cities and towns should not become reliant on the conveyance tax money.

"This is truly a windfall, but what happens, God forbid, if the real estate market dips?" Freedman asked.

State Contracting Reform

The House granted final legislative approval, in a 133-14 vote, to a bill aimed at ridding the state contracting process of the insider influence that led to the downfall and imprisonment of former Gov. John G. Rowland. By a vote of 133-14 Wednesday, the House affirmed the measure that had been previously ratified by the Senate.

Rell, who made state contract reform a key part of her legislative agenda this session, is expected to sign the bill.

"This piece of legislation strikes at the heart of the corruption of the administration of former Gov. John Rowland," bill co-sponsor Rep. Christopher Caruso of Bridgeport said after the vote. "This law will provide fairness to bidders, will cover contracts in every state agency and sets up a board to review all contracts for adherence to the law. There will be transparency now in state contracts."

The bill creates a State Contracting Standards Board to establish uniform procurement standards, audit state contracting agencies and enforce the rules. The bill also increases grounds that the state can cite to block a company from bidding.

It also places a moratorium on privatization contracts and imposes privatization standards when the moratorium is lifted, to preserve jobs done by state workers.

This section prompted several representatives to speak against the bill, because they say it will handcuff the state from seeking less-expensive alternatives to getting work done.

"What kind of nonsense is this?" Rep, Robert Farr, R-West Hartford, said, who offered an amendment that was defeated.

Crack Cocaine Compromise

In a compromise proposed by Rell, the Senate gave final legislative approval to an amendment that equalizes the penalties for possession with intent to sell for crack cocaine and powder cocaine. Lawmakers had argued repeatedly over the issue in recent weeks - with many Democrats saying that they were looking for fairness and some Republicans saying that Democrats were going soft on crack dealers.

Last week Rell vetoed a bill that would have raised the threshold for charging someone as a crack dealer from one-half gram to 28 grams, the same as powder cocaine. The compromise will set 14 grams - or one-half ounce - as the trigger for the crime of possession with intent to sell for both crack and power cocaine.

University of Connecticut

As the debate passed 11 p.m., one unresolved issue was whether the state would continue to match major private donations to University of Connecticut and other state-subsidized colleges. As part of the budget deal, the program was designed to end as of June 30.

In response, Pat Sheehan, the chairman of the UConn Advocates, sent out 30,000 e-mails to alumni and supporters about the "short-sighted" deal, officials said.

"There's troubling news today that Gov. Rell and the Democratic leaders at the Capitol are considering another assault on UConn: trying to shutdown the 'matching grant' program that fueled UConn's rise to excellence over the past decade," Sheehan wrote. "We cannot let this happen."

Although the matching grant money was cut from the budget, Rell's budget director, Robert Genuario, said the legislature has to pass an implementation bill in order to eliminate the program and end the state's liability.

"The budget assumes the program will be terminated," Genuario said. "It's not a done deal yet - unless there's an implementer terminating it."

In a related matter, lawmakers had not taken a vote on a bill supported by Senate Majority Leader Martin Looney that called for an audit of the state's matching funds in the private UConn Foundation, Inc. Rep. Patricia Dillon, a New Haven Democrat, fought for months for the audit, while university officials and some legislators said it was unnecessary because an independent auditing firm already oversees the finances.

Energy Bill

The House approved a bill intended to improve both the electrical energy supply and power grid in Connecticut, but not before killing a last-minute clause that critics said would unfairly enrich public utilities by allowing them to resume power generation on a small scale.

The clause would have allowed Northeast Utilities and United Illuminating to build small generators and be guaranteed an estimated \$18 million from customers for the cost of the equipment and the maximum 250 megawatts of power it would be allowed to produce.

Rep. Vicki Nardello, D-Prospect, led the attack against that provision, telling colleagues that parts of the bill promised huge profits to utilities if they got back into the power generating business. Deregulation laws passed in 1998 took the two utilities out of the generating business to spark competition.

"Are the ratepayers of the state so rich?" Nardello said of the expanded procurement charges, a fee she said is not given to any other public utility in New England. Procurement fees were approved several years ago by the state. She and other opponents said the language cut out was an 11th-hour addition and not discussed at a public hearing or committee meeting.

Juvenile Training School

The Senate granted final legislative passage to a bill that would establish a 25-member critical response team to study and make recommendations about the future of the Connecticut Juvenile Training School in Middletown. The team would be required to report back to the legislature by Jan. 1, 2006, about whether to turn the state's sole prison for juvenile offenders into an educational or health care facility. The team would also be required to provide a timetable for relocating the boys to more appropriate regional facilities, a plan for the staff of CJTS and a summary of policy recommendations. The bill prohibits the transformation of CJTS into an adult prison.

Environmental Bills

As the session was ending, environmentalists were hailing the work of the past five months, saying that advocates for clean water, clean air, energy conservation, open space, and farmland preservation were all pleased with six major environmental bills that passed this year. Julie Belaga, a former Republican legislator who now co-chairs the Connecticut League of Conservation Voters, said that the new leadership in the Senate, House, and governor's office had made the bills possible.

No debate had been held, however, as of 11 p.m. on whether to expand the state's bottle recycling bill to include plastic water bottles. Senate President Pro Tem Donald Williams pushed hard for the measure, but it was not placed on the House "go" list of debatable bills on the final day.

Health Insurance

As time was running out, a series of bills appeared to be headed for defeat by inaction as the opponents were using the clock to end the game before a vote was taken.

One of those bills was the so-called "pay or play" bill that would have required the state's largest employers to provide a health insurance package comparable to those of state employees. The bill was originally targeted at Wal-Mart, the gigantic retailer that has hundreds of employees in Connecticut who receive state-subsidized health insurance. After a study showed that Wal-Mart, Stop & Shop and other large companies had workers on the popular HUSKY insurance plan, outraged legislators vowed to force large companies to pay for the care.

But the Connecticut Business and Industry Association lobbied constantly in the Capitol hallways against the plan, and United Technologies Corp. chairman George David warned that the bill could cost the company more than \$50 million annually - increasing its tax bill by more than 50 percent.

Medical Marijuana

Another bill that appeared destined to die was one permitting the use of marijuana for medical purposes in order to relieve the pain of those who suffer from cancer, epilepsy and other illnesses. Although it narrowly passed the Senate, House Speaker James Amann, who voted against the idea in the past, said it was not a high priority for the Democratic caucus and had a slim chance of passage. Then the U.S. Supreme Court this week ruled that such state laws do not negate federal laws against marijuana, dooming the measure entirely.

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