

Lawmakers debate over whether to re-open budget

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HARTFORD, Conn. - State lawmakers debated Monday whether to adjust the budget plan passed last year, with Republicans suggesting a number of changes, including a summertime gas tax holiday to help motorists.

They also want to repeal a planned July 1 tax increase on the wholesale price of gasoline and pay for it all by creating an early retirement incentive program for state employees.

"We believe that we literally cannot afford to do nothing. We believe that doing nothing is not an option," said House Minority Leader Lawrence J. Cafero Jr., R-Norwalk.

But legislative Democrats, who control the General Assembly, said they are leaning against making any major changes to the \$18.5 billion tax and spending plan already approved for the 2008-09 fiscal year, which begins July 1.

New numbers show state revenues are slowing and the projected budget surplus is shrinking. Republican Gov. M. Jodi Rell has suggested that lawmakers consider sticking with the original budget.

That suggestion prompted various advocacy groups to renew calls for more money for food banks, school breakfast programs, rental assistance, housing for the homeless, assistance for homeowners facing foreclosure, child care programs and aid to municipalities.

"People are unable to buy food, get gas, get to work, have health care," said Lucy Nolan, executive director of End Hunger Connecticut. "The need is there. It's really apparent we need a budget that takes care of those people."

Terry Edelstein, president and chief executive of the Connecticut Community Providers Association, said the failure by lawmakers to alter the 2008-09 budget would result in budget shortfalls for hundreds of nonprofit agencies across Connecticut that provide care to the mentally ill, elderly, mentally retarded and others.

"This is a tragedy in the making for those with mental illness and people with developmental disabilities," she said. "It is unconscionable to take no action when the commissioner of the Department of Mental Health and Addiction Services has stated publicly that the system is crumbling."

Senate President Donald Williams said he hopes to incorporate as much as possible from the budget approved by the Appropriations Committee. Williams, D-Brooklyn, said he's most concerned about having the funds to increase nursing home staffing ratios and the medicaid reimbursement rates to nursing home. He also hopes the budget can provide a 1 percent increase to nonprofit agencies and increases in education funding.

"I still believe we can take some positive steps even given the tough financial times," Williams said.

The Republicans' budget proposal includes a 1 percent cost of living increase.

Rep. Denise Merrill, D-Mansfield, co-chairwoman of the Appropriations Committee, acknowledged that she's worried about the financial stability of the nonprofit agencies.

"This is going to put them on the ropes," she said. "If they get a zero percent increase, I think it's very, very difficult for them to sustain."

Merrill said a long list of services need more money, but lawmakers don't have the money.

"And until the state's people are willing to have their taxes raised to cover these things, you're going to have some critical needs that are going to go unmet and I am very concerned about it," she said. "But at this point, I think the consensus is, this is not the time to be raising taxes."

Lawmakers were still negotiating with Rell's budget office, hoping to craft a deal before the session ends May 7. Robert Genuario, the governor's chief budget adviser, said he's leaning toward keeping the budget as it was approved last year, but making some technical adjustments, such as covering cost overruns in the corrections and mental health agencies.

Asked if \$10 million in additional criminal justice spending approved last week, including the hiring of more prosecutors, probation officers and state police, was in jeopardy, Genuario said "absolutely."

Genuario said he appreciates Republicans' budget proposals, but would not recommend an early retirement initiative because savings from past so-called golden handshakes have been ephemeral. Legislative Republicans estimate 11,600 state employees would be eligible and 4,233 would participate. Connecticut last offered early retirement in 2003.

House Speaker James Amann harshly criticized the GOP plan, calling it "Republican mumbo jumbo" proposed at the last minute of the session. No savings were realized with the last early retirement program, he said.

"I lived through that already," he said. "And the most important thing to remember, is that we lost some of our most credible state workers, which five years later, we are paying for."