



Preparations being made with no budget in sight

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HARTFORD, Conn. - Connecticut's budget standoff at the state Capitol has Kim Beaugard worried.

She runs InterCommunity Inc., a nonprofit agency that offers numerous social services including outpatient mental health care and substance abuse treatment to more than 2,000 people in [East Hartford](#), [Newington](#), [Rocky Hill](#), [Wethersfield](#), [Glastonbury](#) and [Marlborough](#).

If an agreement on a new two-year budget isn't reached before June 30, the end of the fiscal year, Beaugard fears payments from the state may not arrive.

"We don't know anything," said Beaugard, the agency's president and CEO. "It's so anxiety-provoking. We really don't know if we're going to be able to pay our staff, what happens when they walk out the door."

It's unclear when Beaugard will get answers.

Bipartisan budget talks ended when the General Assembly adjourned its regular legislative session on June 3. Gov. M. Jodi and her fellow [Republicans](#) have been at odds with the majority [Democrats](#) about whether higher taxes are needed to cover the state's budget deficit, estimated to be as much as \$8.7 billion over the next two fiscal years.

There's also disagreement over the level of spending cuts and borrowing.

However, there are signs that the rhetoric may be softening. Gov. M. [Jodi Rell](#) e-mailed all state legislators on Wednesday, asking them to study both of her budget proposals and give her input on what cuts they can live with.

Senate President [Donald E. Williams Jr.](#), D-Brooklyn, said he welcomed Rell's effort to reach out and urged her to sit down with legislative leaders to review what their respective negotiating teams have already accomplished in closed-door talks.

However, there is a chance that the Democrats may try to vote out their budget this week, likely garnering a veto from the governor. Williams set aside possible special sessions for Friday and Saturday. The House of Representatives scheduled a session day for Thursday.

Rell said she has meetings with legislators early in the week to discuss their budget priorities.

"So, it's going," she told reporters, when asked about the budget process.

In the meantime, Rell's budget staff is working on possible plans for how Rell will run the state without a budget beginning July 1.

"The law provides for her, as the chief executive of the state, to carry out the essential functions of government, and we will be providing her with options on how to do that," said Jeffrey Beckham, a spokesman for the Office of Policy and Management.

Even without a budget, there still are laws that require taxes and fees to be paid. Federal funds are also expected. So that means money will be coming into the state's coffers.

Beckham stressed that while research and some preparation is under way, the governor's budget office still hopes to reach a deal before June 30.

Former Govs. [John G. Rowland](#) and Lowell P. Weicker Jr. both had to run the state without budgets in 2003 and 1991 respectively. In Rowland's case, he issued several executive orders to continue essential government operations.

During the 1991 budget crisis, Weicker and the General Assembly were able to agree on several mini budgets that covered two weeks apiece. Those were more detailed than the executive orders that Rowland issued during the 2003 budget impasse.

Like this year, there were concerns in 2003 -- when the deficit was just about \$1 billion -- regarding state funding delays and how they'd affect municipalities and programs ranging from AIDS counseling to Dial-A-Ride programs. Rowland wound up releasing some money at one point to keep mental health and addiction programs operating.

This time around, officials at nonprofit agencies say the stakes are higher. The economic recession has led to increased caseloads -- they're up 14 percent from last year at InterCommunity Inc., mostly for mental health care. Meanwhile, these agencies have been flat-funded by the state in recent years and many already face financial troubles.

Additionally, some agencies with lines of credit at banks have seen those lines reduced by half.

"They're not all that trusting that the state is going to come through," said Diane Manning, president and CEO of United Services Inc. in Dayville. Her agency is negotiating a line of credit with a new bank.

At this point, Manning doesn't expect any layoffs. She said she'll be able to cover the July payroll if there isn't a state budget in place.

"But after that," she said, "it is pretty hairy."

Editors: AP Political Writer Susan Haigh has covered the Connecticut statehouse and political scene since 1994.