

## **Governor swings the budget ax, orders \$160 million in cuts**

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HARTFORD — For the first time in six years, a Connecticut governor has ordered emergency budget cuts in response to a projected deficit and slumping economy.

Gov. M. Jodi Rell on Tuesday ordered \$160 million in rescissions to the \$18.4 billion 2009 budget that begins July 1, using special authority granted under state law. The reductions, which hit most state agencies, struck several controversial areas, including nonprofit social services; public colleges and universities; job training programs; food stamps and vouchers; and health care, including services to AIDS patients.

The cuts don't affect grants to cities and towns, as those accounts can't be rescinded without legislative approval.

“Making cuts like these is never a welcome or easy process — any more than families across Connecticut have welcomed the difficult choices they have had to make about food purchases, energy costs, vacation cutbacks, or other savings measures,” Rell said. “Wherever possible I have tried to make sure that agencies with the greatest public safety or human services roles have borne the smallest cuts. The essential work of government will continue and we will get by, just like our families.”

Fiscal analysts both for the administration and the legislature have estimated the 2009 budget already is about \$150 million out of balance in the General Fund, which covers the bulk of spending and services. The special Transportation Fund, the other major portion of the budget, has been projected to be about \$27 million in the red.

More important, nearly all taxes and other revenue sources for the state budget failed to meet projections this fiscal year, and analysts said that trend likely would continue in 2009. That would mean the budget deficit could grow again, even with the rescissions.

“The economic slippage that began last summer with the national mortgage credit crunch has continued,” Rell said, adding that the average personal income in Connecticut, which grew by 6 percent in 2007, is expected to climb 2.9 percent in 2009.

That, coupled with a down housing market and skyrocketing food and fuel prices, is forcing everyone to cut back, she said. The governor also ordered a freeze on most new state government hiring as well as a travel ban for the executive branch.

The Republican governor's cuts did hit several areas of the budget that majority Democrats in the legislature want her to avoid.

These include \$1.95 million from the nonprofit social service agencies that assist

Connecticut's mentally retarded, mentally ill, drug addicts, and other special needs groups.

The nonprofits, which received no additional funding in the 2009 budget, already are grappling with high turnover and inflation of more than 4 percent, said Terry Edelstein, president of the Connecticut Community Providers Association.

The governor also trimmed funds from five job training programs and two food stamp and voucher programs for the elderly.

Nearly \$1.5 million was removed from Department of Public Health accounts, including services for AIDS patients, a needle exchange program for drug addicts, and tuberculosis care.

The state's public colleges and universities lost \$16 million, including \$6.7 million taken from the University of Connecticut, \$4.6 million from the Connecticut State University system, and \$4.5 million from the community colleges.

"It's a slash-and-burn technique, very pound-wise and penny-foolish," said Rep. Denise W. Merrill, D-Mansfield, co-chairwoman of the Appropriations Committee. "Is this the time you want to be cutting money from community colleges, when everyone says we want a better-educated workforce?"

State law allows the chief executive to reduce most agencies' quarterly allotments by up to 3 percent, or any individual appropriation by up to 5 percent, whenever the governor "determines that estimated budget resources will be insufficient to finance appropriations in full."

Legislative approval is not needed, though the administration has to file reports with the legislature's Appropriations and Finance committees. Rell's budget director briefed key lawmakers late Tuesday.

If the governor says resources are insufficient, rescissions can be ordered every three months until she's satisfied that fiscal balance has been restored.

The more than \$1.5 billion in statutory grants to cities and towns are exempt.

Rell gave a two-month warning that rescissions were coming, issuing a statement on May 2 when the 2009 budget deficit had been forecast.

Tuesday's announcement, though, marks the first time the most popular Connecticut politician in state polling history has utilized these special budget powers — which typically prompt criticism both from legislators and from special interests.

Her predecessor, Gov. John G. Rowland, used them frequently, the last time being during the 2003 fiscal year.