

May 1, 2010

Republicans quit budget talks, accuse Democrats and Rell of 'Band-Aid' fix

By **Keith M. Phaneuf**

Republican legislators' hopes for a pre-campaign season debate on the mammoth-sized deficit facing state government in 14 months were dashed this weekend, prompting GOP leaders to accuse Gov. **M. Jodi Rell** of ducking the problem.

And while majority Democrats in the General Assembly dismissed the minority's objections as mere posturing, the Republican governor took a more diplomatic tone and tried to mend fences.

"This is the public divorce," one senior Republican staffer said privately as House Minority Leader **Lawrence F. Cafero**, R-Norwalk, and Senate Minority Leader **John P. McKinney**, R-Fairfield, blasted Democrats and Rell in a mid-day press conference Saturday outside of the Hall of the House.

The Republicans leaders said they would participate in no further budget talks, a move more symbolic than substantive as it was unlikely that the GOP minority would vote for any budget deal acceptable to the Democratic majority.



Republican leaders Lawrence F. Cafero (left) and John McKinney charge Gov. M. Jodi Rell with abandoning efforts to reduce the budget shortfall (Keith M. Phaneuf)

Recent reports of surging state tax revenues - enough to balance the next state budget but not enough to cancel much more than a fraction of the **\$3.9 billion shortfall** projected for 2011-12 - have hardened Democrats' resolve to oppose any further spending cuts, Cafero said, adding he was disappointed to watch the Rell administration accept this.

"There was no possibility to even discuss any of the myriad of options we have put forth: agency consolidations, voluntary retirement, a smaller government that we can afford, structural changes in the way we do business as a state - changes that could save hundreds of millions of dollars," the Norwalk lawmaker said. "The big losers are state taxpayers. I'm not sure there were any winners."

When asked whether he believed Rell had given up fighting for spending cuts she proposed earlier this year, Cafero replied, "The macaroni's cooked."

"I'm afraid that the news of some extra revenue has given license to the people in charge of our state to forgo any effort to rein in out-of-control spending and make the structural reforms our government desperately needs," McKinney said, chastising Democrats and the governor for being willing "to put a Band-Aid on the problem."

The "Band-Aid" McKinney referred to involves an April 30 **report** from the legislature's nonpartisan Office of Fiscal Analysis and from Rell's budget agency, the Office of Policy and Management, that showed modest growth in state revenues from taxes and federal grants.

Revenue projections are up \$375 million for next fiscal year since the last joint forecast was issued in mid-January, enough to erase slightly more than half of the \$726 million deficit projected for 2010-11. And since Rell and Democratic leaders are willing to count on \$366 million in proposed-but-not-yet-approved increases in emergency federal stimulus grants to cover the rest, the next budget is effectively balanced, though some issues still are being negotiated,

But the fiscal year that starts in 14 months is another story.

The latest revenue report increased expectations for tax dollars and federal aid that year by \$406 million. But that's enough to cover only about 10 percent of the \$3.9 billion shortfall projected for 2011-12, a deficit that equals more than 20 percent of the entire budget this year.

Rell spokeswoman Donna Tommelleo insisted Saturday afternoon in a brief written statement that the administration and the Democratic majority were not close to striking a budget deal.

"Talks are ongoing and the governor is hopeful that everyone will work together in a respectful manner to balance the budget by the end of the session," Tommelleo wrote.

Republican State Chairman Chris Healy said some of the longstanding tensions between the Republican governor and GOP legislative minority are inevitable, since she must deal with the Democratic majority to settle on a budget.

"We've been down this road before," Healy said. "We all love her. We like her. We think she is a good person. But she obviously feels she's made the best deal she can. That's her right."

Democrats quickly dismissed the Republican boycott of budget talks as election year posturing by a partisan minority that is more focused on waging a campaign of fiscal blame than actually solving Connecticut's budget crisis.

"The worst thing for the Republicans is for us to have a budget deal," said Rep. **John Geragosian**, D-New Britain, the co-chairman of the Appropriations Committee.

He said recent revenue growth increases the likelihood of balancing the next budget without tax hikes.

"You would think that's a good outcome. They're playing funeral music at a wedding," he said of the Republicans.

Democrats have argued that no budget proposal could eliminate the 2011-12 deficit without major tax hikes. And Senate President Pro Tem **Donald E. Williams Jr.**, D-Brooklyn, said Republicans have talked in vague terms about cutting spending, but have never shown how they would close a \$3.5 billion to \$3.9 billion deficit without new revenue.

"We have never seen a comprehensive plan from the Republicans," Williams said, calling the GOP leaders' statements "a way for them to not be part of the process so they can blame the legislature and blame the governor and try to profit from that politically."