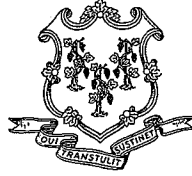


The Connecticut General Assembly

Joint Committee on Appropriations

Sen. Toni Nathaniel Harp
Co-Chairperson



Rep. John C. Geragosian
Co-Chairperson

March 9, 2009

Senator Donald E. Williams, Jr
Senate President Pro Tempore

Representative Christopher G. Donovan
Speaker of the House

Senator Martin M. Looney
Senate Majority Leader

Representative Denise W. Merrill
House Majority Leader

Dear Senator Williams, Speaker Donovan, Senator Looney, and Representative Merrill:

We are writing in response to your February 19, 2009 letter asking us to identify a total of \$2.8 billion in new cuts for the next biennial budget. The attached spreadsheets identify three different scenarios that reach \$2.8 billion in cuts. When added to the cuts and revenue increases in Governor Rell's proposed 2010-2011 budget, each scenario would bring that budget into balance.

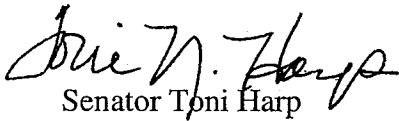
It is important to note that these proposed cuts are not cuts that we endorse; rather they are cuts that should give you a more accurate picture of what the Governor's budget would have looked like, had she balanced the budget in keeping with her Constitutional requirement to do so. In other words, these are the magnitude of cuts that would be necessary to close the gap between the deficit estimates relied upon by the Governor and those certified by the Office of Fiscal Analysis.

These cuts are *in addition to* the cuts already found in the Governor's biennial budget, and do not supplant those that she has already proposed. Although we disagree with many of those cuts, the items in our three proposed scenarios do not supplant cuts the Governor has already proposed to K-12 and higher education, all legislative commissions, watchdog agencies, and healthcare for low-income children, families, seniors, and others.

In every scenario, unreasonable – and in some cases unconscionable – cuts must be made to services that support our cities and towns, hospitals and colleges, children and seniors. Cuts of this magnitude surely will slow our recovery, and may undermine Connecticut's economic future.

We encourage you to share our findings with all members of the legislature and with the Governor. We also recommend that these findings be shared with the public as the basis for important conversations with citizens across the state as we look to develop a better, comprehensive solution to our budget challenges.

Respectfully,



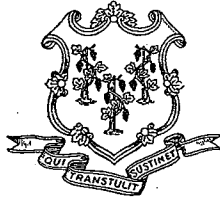
Senator Toni Harp

Co-Chair Appropriations Committee



Representative John Geragosian

Co-Chair Appropriations Committee



State of Connecticut

GENERAL ASSEMBLY

STATE CAPITOL

HARTFORD, CONNECTICUT 06106-1591

March 9, 2009

Senator Toni Harp
Co-Chair Appropriations Committee
Legislative Office Building, Room 2700

Representative John Geragosian
Co-Chair Appropriations Committee
Legislative Office Building, Room 2700

Dear Senator Harp and Representative Geragosian:

Thank you for your letter and report of March 9, 2009. We appreciate the difficulty of your charge, and the speed with which you completed the task.

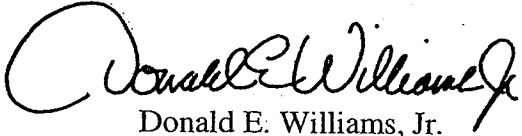
Your work gives families, lawmakers and advocates a more accurate picture of what the Governor's budget would have looked like had she balanced the budget in keeping with her Constitutional requirement to do so. This gives us a more realistic understanding for pursuing solutions that will not cripple the state or inflict even more devastating pain on Connecticut families.

After review, we agree that this is the wrong way to move forward. Cuts of this magnitude, hurting primarily the poor and the middle class, conflict with fundamental values of fairness. It is clear that addressing an actual budget deficit of \$8.8 billion will require a more comprehensive framework than Governor Rell's approach, with everything on the table as we have consistently said. This includes not only spending cuts, but bringing maximum efficiency to all state programs and agencies, and reducing unfairness and loopholes in our revenue structure – as Governor Rell started to do in her budget through the elimination of certain tax expenditures. The first step in addressing this problem is to acknowledge and confront the true extent of our fiscal shortfall. We hope that Governor Rell will now agree that the deficit we face is far greater than that addressed by her budget. If the governor does not agree that her budget would require the cuts that you have identified in your report, we would ask that she identify the alternative cuts she would make to balance her budget.

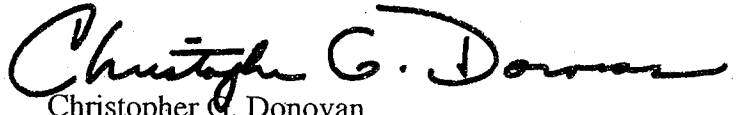
The work you have done is not merely an "exercise" as some have suggested. If we were to follow the governor's approach, cuts of this magnitude would absolutely be necessary to balance the budget. Legislators and the people of Connecticut need to know this basic truth. We continue

to believe, however, that we must work together to find a fairer way to meet the demands of this economic crisis. We will ask to meet immediately with the Republican leadership and the Governor to begin bipartisan discussions now on how to best achieve a balanced budget. These unprecedented times will require sacrifice – but that burden must be shared in the fairest possible way for Connecticut families and businesses.

Sincerely,



Donald E. Williams, Jr.
Senate President Pro Tempore



Christopher G. Donovan
Speaker of the House

Addendum to the Governor's Budget- Version 1
(figures in \$ millions)

General Fund:

FY 10

FY 11

Environment:		
DEP:		
Close 2 state parks	0.1	0.1
Health and Human Services:		
DSS:		
Medicaid Provider Rate Reduction @ 10% Nursing Homes; 20% Others (net)	(238.3)	(291.8)
Implement Co-Pays in Medicaid (net)	(28.0)	(29.1)
Eliminate Adult Medicaid Pharmacy (net)	(81.8)	(93.3)
Eliminate Hospital Grants - DSH (net)	(37.1)	(37.1)
Eliminate State Funded Home Care	(71.8)	(71.4)
DCF:		
Eliminate Voluntary Services Program	(20.0)	(20.0)
Eliminate Post Secondary Education for Foster & Adoptive Children	(6.9)	(6.9)
Eliminate about 40 positions at Riverview Hospital	(2.0)	(2.0)
Eliminate 5 positions at Wilderness School	(0.4)	(0.4)
Eliminate Primary Prevention Services (4 positions & several non-profit service contracts)	(4.7)	(4.7)
Reduce Flex Funds for Families w/ Child at Risk of Removal to Foster Care	(2.5)	(2.5)
Reduce DCF Funded Behavioral Health Partnership Services	(5.0)	(5.0)
Reduce Private Non-Profit Contracts (>85 types) by 1%	(1.9)	(1.9)
Reduce Adoption Subsidies by 1%	(0.6)	(0.6)
Eliminate 3 Therapeutic Group Homes	(3.0)	(3.0)
Eliminate Medication/Medical Management Initiative	(0.5)	(0.5)
Eliminate CT Assoc.Foster & Adoptive Parents contract (family supports)	(2.1)	(2.1)
Eliminate 2 Durational Project Managers	(0.2)	(0.2)
Eliminate Covenant to Care & Community Emergency Services Contracts	(0.2)	(0.2)
DDS:		
Eliminate funding for high school graduates	(6.8)	(13.9)
Private Providers - 5% Reduction in Health, Human Services and Judicial	(70.0)	(70.0)
Total - Health and Human Services	(583.8)	(656.6)
Higher Education:		
UConn - close 2 regional campuses	(11.0)	(11.0)
Regional Community-Technical Colleges - close 6 campuses	(56.0)	(56.0)
CT State University - close 1 campus	(28.0)	(28.0)
Total - Higher Education	(95.0)	(95.0)
Justice:		
DPS:		
Eliminates 25 Trooper First Class positions	(2.0)	(2.0)
Eliminate state subsidy for resident state troopers	(4.3)	(4.5)
DOC:		
Close 2 prisons	(40.0)	(40.0)
Eliminate approximately 11 Deputy Warden positions	(1.1)	(1.1)
Judicial - Close facilities and curtail programming and services to adults, youths and juveniles. Could generate 500 layoffs and affect 327 residential treatment beds.)	(49.3)	(49.4)
Total - Justice	(96.7)	(97.0)
State Employees:		
Layoff over 13.5% of state employees (over 5,600 positions) with no refills (in addition to any PS reductions anticipated in Governor's budget)	(275.0)	(275.0)
Eliminate All Deputy Commissioners	(3.9)	(3.9)
Total - State Employees (Net)	(278.9)	(278.9)

General Fund:**FY 10****FY 11****Reductions in Grants to Towns:**

OPM - PILOT New Manufacturing and Equipment	(5.7)	(5.7)
Public School Transportation	(4.8)	(4.8)
Non-Public School Transportation	(0.4)	(0.4)
Adult Education	(2.1)	(2.1)
Education Cost Sharing (ECS)	(200.0)	(200.0)
Priority School Districts	(11.7)	(11.7)
Excess Cost - Student Based	(13.4)	(13.4)
Magnet Schools	(13.5)	(14.6)
PILOT - State Property	(7.3)	(7.3)
PILOT - Private Property	(11.5)	(11.5)
Mohegan/Pequot Grant	(22.0)	(22.0)
Total - Reductions to Selected Grants	(292.4)	(293.5)

**GF Total - Environment, Health and Human Services, Higher Education, Justice, State
Employees and Grants to Towns**

(1,346.7) (1,420.9)**Transportation Fund:****FY 10****FY 11**

DOT - Eliminate Town-Aid-Road (TAR) Grant	(22.0)	(22.0)
DOT - Reduce Bus Subsidy by 10% (could result in a \$.75 fare increase)	(3.0)	(12.6)
DOT - Reduce Rail Subsidy by 10%	(12.6)	(13.6)
TF Total - DOT	(37.6)	(48.2)

**Total General Fund and Transportation Fund
For Biennium (FY 10 - 11)**

(2,853.4)

Addendum to the Governor's Budget- Version 2
(figures in \$ millions)

General Fund:

FY 10

FY 11

<u>Environment:</u>		
DEP:		
Close 2 state parks	0.1	0.1
<u>Health and Human Services:</u>		
DSS:		
Medicaid Provider Rate Reduction @ 10% Nursing Homes; 20% Others (net)	(238.3)	(291.8)
Eliminate SAGA	(143.6)	(152.4)
Eliminate Charter Oak	(20.8)	(34.0)
Implement Co-Pays in Medicaid (net)	(28.0)	(29.1)
Eliminate Adult Medicaid Pharmacy (net)	(81.8)	(93.3)
Eliminate Hospital Grants - DSH (net)	(37.1)	(37.1)
Eliminate State Funded Home Care	(71.8)	(71.4)
DCF:		
Eliminate Voluntary Services Program	(20.0)	(20.0)
Eliminate Post Secondary Education for Foster & Adoptive Children	(6.9)	(6.9)
Eliminate about 40 positions at Riverview Hospital	(2.0)	(2.0)
Eliminate 5 positions at Wilderness School	(0.4)	(0.4)
Eliminate Primary Prevention Services (4 positions & several non-profit service contracts)	(4.7)	(4.7)
Reduce Flex Funds for Families w/ Child at Risk of Removal to Foster Care	(2.5)	(2.5)
Reduce DCF Funded Behavioral Health Partnership Services	(5.0)	(5.0)
Reduce Private Non-Profit Contracts (>85 types) by 1%	(1.9)	(1.9)
Reduce Adoption Subsidies by 1%	(0.6)	(0.6)
Eliminate 3 Therapeutic Group Homes	(3.0)	(3.0)
Eliminate Medication/Medical Management Initiative	(0.5)	(0.5)
Eliminate CT Assoc.Foster & Adoptive Parents contract (family supports)	(2.1)	(2.1)
Eliminate 2 Durational Project Managers	(0.2)	(0.2)
Eliminate Covenant to Care & Community Emergency Services Contracts	(0.2)	(0.2)
DDS:		
Eliminate funding for high school graduates	(6.8)	(13.9)
Private Providers - 5% Reduction in Health, Human Services and Judicial	(70.0)	(70.0)
Total - Health and Human Services	(748.2)	(843.0)
<u>Higher Education:</u>		
UConn - close 1 regional campus	(5.5)	(5.5)
Regional Community-Technical Colleges - close 3 campuses	(28.0)	(28.0)
CT State University - close 1 campus	(28.0)	(28.0)
Total - Higher Education	(61.5)	(61.5)
<u>Justice:</u>		
DPS:		
Eliminates 25 Trooper First Class positions	(2.0)	(2.0)
Eliminate state subsidy for resident state troopers	(4.3)	(4.5)
DOC:		
Eliminate approximately 11 Deputy Warden positions	(1.1)	(1.1)
Judicial - Close facilities and curtail programming and services to adults, youths and juveniles. Could generate 500 layoffs and affect 327 residential treatment beds.)	(49.3)	(49.4)
Total - Justice	(56.7)	(57.0)
<u>State Employees:</u>		
Concessions	(295.0)	(295.0)
Eliminate All Deputy Commissioners	(3.9)	(3.9)
Total - State Employees (Net)	(298.9)	(298.9)

Reductions in Grants to Towns:		
ECS 4.5% cut	(85.0)	(85.0)
OPM - PILOT New Manufacturing and Equipment	(5.7)	(5.7)
Suspend Pequot Grant	(64.3)	(64.3)
PILOT - State Property	(7.3)	(7.3)
PILOT - Private Property	(11.5)	(11.5)
Mohegan/Pequot Grant	(22.0)	(22.0)
Total - Reductions to Selected Grants	(195.8)	(195.8)

GF Total - Environment, Health and Human Services, Higher Education, Justice, State Employees and Grants to Towns	(1,361.0)	(1,456.1)
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Transportation Fund:	<u>FY 10</u>	<u>FY 11</u>
DOT - Eliminate Town-Aid-Road (TAR) Grant	(22.0)	(22.0)
DOT - Reduce Bus Subsidy by 10% (could result in a \$.75 fare increase)	(3.0)	(12.6)
DOT - Reduce Rail Subsidy by 10%	(12.6)	(13.6)
TF Total - DOT	(37.6)	(48.2)

**Total General Fund and Transportation Fund
For Biennium (FY 10 - 11) (2,902.9)**

Addendum to the Governor's Budget- Version 3
(figures in \$ millions)

General Fund:

FY 10 **FY 11**

Environment:		
Dept of Ag		
Eliminate the Department and assign its functions to DEP	(5.2)	(5.3)
Agricultural Experiment Station - eliminate	(7.4)	(7.4)
DEP:		
Eliminate participation in interstate and federal commissions	(13.7)	(6.6)
Eliminate Sport Fish Resoration program	(2.6)	(2.6)
Close 2 state parks	(0.1)	(0.1)
Total - Environment	(29.0)	(22.0)

Health and Human Services:		
DSS:		
Medicaid Provider Rate Reduction @ 10% Nursing Homes; 20% Others (net)	(238.3)	(291.8)
Eliminate Charter Oak	(20.8)	(34.0)
Eliminate Adult Medicaid Pharmacy (net)	(81.8)	(93.3)
Eliminate State Funded Home Care	(71.8)	(71.4)
Reduce Urban DSH by 50%	(15.7)	(15.7)
Reduce Alzheimer Respite Care by 50%	(1.1)	(1.1)
DCF:		
Eliminate Post Secondary Education for Foster & Adoptive Children	(6.9)	(6.9)
Eliminate about 40 positions at Riverview Hospital	(2.0)	(2.0)
Eliminate 5 positions at Wilderness School	(0.4)	(0.4)
Eliminate Primary Prevention Services (4 positions & several non-profit service contracts)	(4.7)	(4.7)
Reduce Flex Funds for Families w/ Child at Risk of Removal to Foster Care	(2.5)	(2.5)
Reduce DCF Funded Behavioral Health Partnership Services	(5.0)	(5.0)
Reduce Private Non-Profit Contracts (>85 types) by 1%	(1.9)	(1.9)
Reduce Adoption Subsidies by 1%	(0.6)	(0.6)
Eliminate 3 Therapeutic Group Homes	(3.0)	(3.0)
Eliminate Medication/Medical Management Initiative	(0.5)	(0.5)
Eliminate CT Assoc.Foster & Adoptive Parents contract (family supports)	(2.1)	(2.1)
Eliminate 2 Durational Project Managers	(0.2)	(0.2)
Eliminate Covenant to Care & Community Emergency Services Contracts	(0.2)	(0.2)
DMHAS:		
Reduce Residential Services by 20%	(28.7)	(28.7)
Reduce case management, rehabilitation, and ancillary services by 20%	(21.3)	(21.3)
Reduce advocacy and prevention, education and training, and prevention research by 20%	(6.0)	(6.0)
DDS		
Eliminate funding for high school graduates	(6.8)	(13.9)
Reduce Birth to Three system by 20%	(9.0)	(9.0)
Reduce Residential Services by 20% (training homes, living arrangements, campus units, other)	(117.0)	(117.0)
Reduce case management by 20%	(3.2)	(3.2)
Reduce employment opportunities and day services by 20%	(40.5)	(40.5)
Private Providers - 5% Reduction in Health, Human Services and Judicial	(70.0)	(70.0)
Total - Health and Human Services	(762.0)	(846.9)

Education		
SDE:		
Eliminate development of mastery exams for grades 4, 6 and 8	(10.0)	(10.0)
Eliminate transportation of nonpublic school students	(4.0)	(4.0)
Eliminate health services for nonpublic schools	(4.7)	(4.7)
Reduce student transportation by 10%	(1.5)	(1.5)

Eliminate Early childhood advisory cabinet	(1.0)	(1.0)
Eliminate Family Resource Centers	(6.4)	(6.4)
Reduce charter school funding by 10%	(5.5)	(5.5)
Reduce magnet school funding by 10%	(10.9)	(10.9)
Reduce interdistrict cooperation by 10%	(1.4)	(1.4)
Eliminate early reading success	(2.4)	(2.4)
Eliminate after school program	(5.6)	(5.6)
Reduce adult education by 20%	(4.4)	(4.4)
Total - Education	(57.8)	(57.8)

Other Agencies		
DAS:		
Eliminate Strategic Leadership Program	(6.7)	(7.3)
Department of Consumer Protection:		
Reduce by 10%: regulation of food, drugs, cosmetics, medical devices, alcohol, trade practices, occupational and professional licensing.	(1.7)	(1.7)
DOL:		
Reduce Job Readiness and Employment Services by 10%	(6.4)	(6.5)
Reduce Labor Market Information by 50%	(1.3)	(1.3)
DECD:		
Reduce Community Development funding by 20%.	(8.0)	(8.0)
Office of Health Care Access		
Eliminate and transfer functions to DPH	(2.4)	(2.4)
Total - Other Agencies	(26.5)	(27.2)

Higher Education:		
UConn - close 1 regional campus	(5.5)	(5.5)
Regional Community-Technical Colleges - close 3 campuses	(28.0)	(28.0)
CT State University - close 1 campus	(28.0)	(28.0)
Total - Higher Education	(61.5)	(61.5)

Justice:		
DPS		
Eliminates 25 Trooper First Class positions	(2.0)	(2.0)
Eliminate state subsidy for resident state troopers	(4.3)	(4.5)
DOC		
Close 1 prison	(20.0)	(20.0)
Eliminate approximately 11 Deputy Warden positions	(1.1)	(1.1)
Div Criminal Justice		
Reduce investigation, prosecution, appellate, and collateral litigation and management and support services by 10%	(5.2)	(5.2)
OPM		
Eliminate driving records information system	(1.0)	(1.0)
Eliminate Neighborhood Youth Centers	(1.2)	(1.2)
Eliminate Urban Youth Violence Prevention	(1.0)	(1.0)
Reduce Justice Assistance grants	(0.5)	(0.5)
Total - Justice	(36.3)	(36.5)

State Employees:		
Concessions - GF	(275.0)	(275.0)
Eliminate All Deputy Commissioners	(3.9)	(3.9)
Total - State Employees (Net)	(278.9)	(278.9)

Reductions in Grants to Towns:		
OPM		
PILOT New Manufacturing and Equipment	(20.0)	(20.0)
Suspend 50% of property tax relief for elderly renters	(10.0)	(10.0)
Suspend 50% of property tax relief for the elderly - circuit breaker	(10.0)	(10.0)
Eliminate funding for CCEDA	(7.9)	(8.0)
PILOT - suspend State Property	(7.3)	(7.3)

PILOT - suspend Private Property	(11.5)	(11.5)
Total - Reductions to Selected Grants	(66.7)	(66.8)

GF Total - Environment, Health and Human Services, Education, Higher Education, Justice, State Employees, Grants to Towns and Other Agencies	(1,318.7)	(1,397.6)
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Transportation Fund:	FY 10	FY 11
DMV:		
Reduce by 10%: agency management, customer services, auto emissions inspection, motor vehicle regulation, and support services	(7.7)	(7.7)
DOT		
Eliminate Town-Aid-Road (TAR) Grant	(22.0)	(22.0)
Reduce Bus Subsidy by 10% (could result in a \$.75 fare increase)	(3.0)	(12.6)
Reduce Rail Subsidy by 10%	(12.6)	(13.6)
TF Total - DOT	(37.6)	(48.2)
State Employees		
Concessions - TF	(20.0)	(20.0)
TF Total - DMV, DOT and State Employees	(65.3)	(75.9)

Total General Fund and Transportation Fund (1,384.0) (1,473.5)

Total General Fund and Transportation Fund for Biennium (FT 10-11) (2,857.5)