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News

Dems slam Rell on deficit plan (with doc)

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By Mary E. O'Leary, Register Topics Editor

HARTFORD — Democratic House leaders Monday said Gov. M. Jodi Rell's budget mitigation plan would add thousands of workers to the unemployment rolls, while failing to take advantage of millions in federal aid.

Rell called lawmakers into session today to approve some \$377 million in cuts to help close a projected deficit for the current year.

House Speaker Christopher Donovan, D-Meriden, said lawmakers will act on a plan before Christmas that whittles the deficit by \$100 million, which includes \$60 million in cuts and \$40 million in revenue from a delay in changes to the estate tax.

He said another \$100 million, however, is up to Rell to negotiate with state workers, according to an agreement reached with the unions over the summer — which is triggered once projected state revenues drop by \$300 million.

"We're not going to let Governor Rell cost this state 5,000 jobs — unconscionable at any time, but especially so during a recession and in this holiday season," he said at a press conference late in the day after a Democratic Party House caucus.

The Rell administration took issue with several aspects, including the "trigger" to go back to the state employee unions and find more voluntary furlough days and delays in scheduled pension contributions.

Rich Harris, a Rell spokesman, said the trigger isn't in effect because revenues are only \$245 million off projections. He called the 5,000 job losses, which was first mentioned by Rep. Toni Walker, D-New Haven, "a made-up number from someone who is unwilling to address the realities of the fiscal crisis facing the state."

"If this were not such a serious fiscal situation, Speaker Donovan and the Democrats' 'plan' would be laughable. Instead, it's shameful," Harris said.

Donovan, however, said the agreement with the union ties the trigger to estimates from the comptroller's office, which is over \$300 million.

The Democrats estimate that 3,800-6,000 workers connected to state hospitals, as well as nonprofit services, from child care to school clinics to job training and prison re-entry programs, will lose their jobs if the governor's proposal is followed.

The Democrats' plan also takes \$84 million in municipal cuts off the table, and looks instead to regional efficiencies, eliminating some mandates and opening other revenue sources for towns. Republican representatives earlier also disagreed with cuts in town aid as that could mean midterm tax increases at the local level.

The House Democrats said their plan also saves \$38.5 million in federal funds that would be lost under Rell's cuts.

Senate Democratic leaders, in a statement issued Monday, said two-thirds of the deficit is due to increased spending in the executive branch. "Real deficit mitigation must include the governor's commitment to control spending in her bureaucracy," said spokesman Derek Slap.

The fight between lawmakers and the governor also covered the state's efforts to nail down federal stimulus funds, which Walker said is only \$1.6 billion out of \$3.2 billion, according to the federal Web site. The Rell administration said it has commitments of \$2.4 billion.

Walker said at an earlier press conference at the Capitol that the state is failing to use any imagination; it could partner with nonprofits and foundations in getting to a spending level that will let it tap the \$133 million it is eligible for in Temporary Assistance for Needy Families emergency funds, part of which is a direct payment for jobs. A total of 32 states have been awarded portions of \$6.9 billion from this source; the Rell administration said it is moving on it.

Earlier in the day, Rell said her cuts were bureaucratic in nature and didn't involve cuts to direct care, but Walker said \$122 million affects children, including 7,000 in after-school programs. "Families need relief," Walker said. "Not rhetoric."

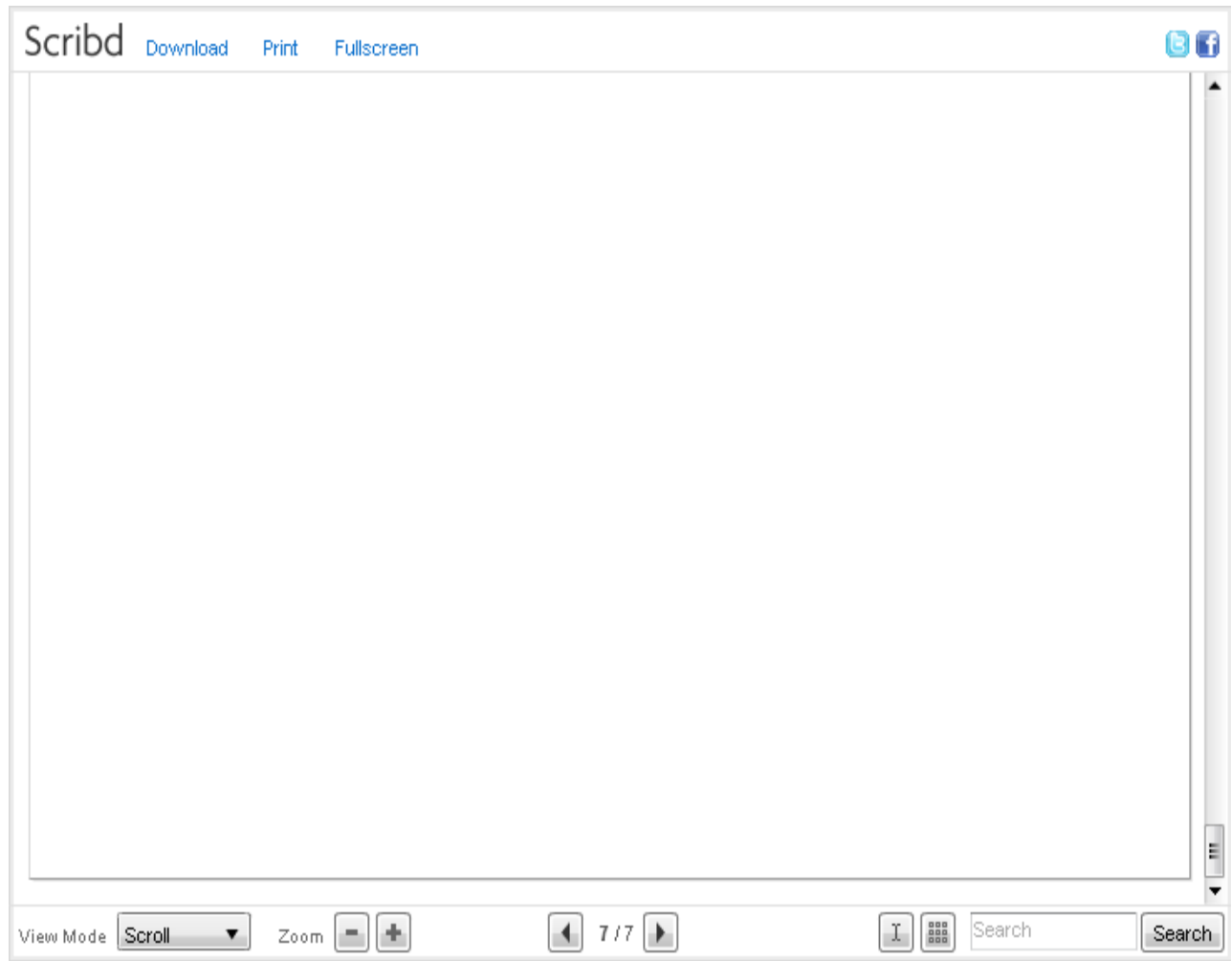
Kathy Queen, executive director of Wallingford Community Day Care, said 600 children in subsidized care will lose their slots, which will mean 100 teachers laid off and 600 parents having to quit work.

Queen said Rell offered \$100 million tax breaks to two major companies when they threatened job cuts.

"The question to Governor Rell is: What makes the employees of Pratt and Whitney and Sikorsky more important than the parents and teachers of low- and moderate-income families, whose jobs are at stake here?" she said at Walker's press conference.

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