

**FOR IMMEDIATE RELEASE:**  
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## **The President's Budget Cuts Programs Vital to Connecticut Significantly While Extending and Expanding Tax Cuts for the Most Affluent**

***CT organizations oppose proposed multi-year reductions in funding for education, child care, energy assistance, housing, and community development***

**EDITOR'S ADVISORY:** The Center on Budget and Policy Priorities will hold conference call briefings on a new budget analysis Tuesday, Feb. 22<sup>nd</sup> Tuesday at 12:30 p.m. and 2:30 p.m. (EST) Reporters may participate by signing up at <http://www.cbpp.org/confcall2.htm>, or by sending an e-mail to [bazie@cbpp.org](mailto:bazie@cbpp.org), or calling the Center's media team at (202) 408-1080. CT Voices for Children staff will be available at a State Budget Forum on Tuesday the 22<sup>nd</sup> from 10 am to 2 pm in the Old Judiciary Room at the State Capitol.

[New Haven CT] – A diverse and growing group of Connecticut organizations is calling on Congress to resist the sweeping cuts in crucial domestic programs proposed by President Bush in next year's budget. The President's budget calls for \$214 billion in reductions nationally in domestic "discretionary" programs between 2006 and 2010. A wide of programs would be subject to large cuts, including education, environmental protection, and multiple programs that provide low-income families with much-needed assistance.

The budget would hurt the most vulnerable citizens and shift costs to state and local governments, even as it extends and expands large tax savings primarily for the wealthiest Americans. Connecticut alone stands to lose an estimated \$852 million in federal grants in aid from 2006 to 2010, according to an analysis released today by the Center on Budget and Policy Priorities, a nonprofit organization in Washington, D.C.

The organizations are urging Connecticut's representatives in Congress to oppose these sweeping cuts and pass a budget that *fairly* meets the needs of all people.

"Our Congressional delegation – from both sides of the aisle – needs to stand up for Connecticut and press for a *balanced* approach to federal deficit reduction. Cutting spending alone is not fair, good for the economy, or good for Connecticut. A *balanced* approach also would call for rescinding some of the tax cuts that have benefited the wealthiest families," said **Shelley**

**Geballe, President of Connecticut Voices for Children.** “Connecticut residents will be watching closely as Congress goes to work on the federal budget.”

While the President’s budget calls for large cuts in discretionary spending each year from 2006 through 2010, it fails to show precisely how the cuts after 2006 would affect specific programs. The Center, using the President’s funding priorities for 2006 and unpublished documents the Administration gave Congress, has estimated the effects of the 2007-2010 cuts on individual programs – and individual states.

The Center’s analysis shows that Connecticut would be hit hard by the proposed cuts by 2010:

- K-12 education funding to Connecticut would be cut by 14% or \$46 million, leaving the state less able to cover expenses like meeting the needs of special education students, improving teacher quality, and providing after-school programs.
- Reductions in child care assistance would mean that the state would have to cut the number of Connecticut children whose parents receive this critical support by 2,000.
- The state would lose 8% (\$3.3 million) in funding for the Women, Infants and Children (WIC) program, meaning 4,400 fewer Connecticut low-income families would receive the healthy foods and the nutrition counseling provided by the program.
- The state would lose 8% (\$3.5 million) in energy assistance, meaning 5,400 fewer Connecticut residents would receive help paying their heating bills if the state addressed the shortfall by cutting the number of people on the program.
- Funding for child and family services, including Head Start and services for abused and neglected children would be cut by 13% (\$9 million), meaning that 900 fewer Connecticut children would participate in Head Start.
- 6,100 fewer state residents would receive help with their housing costs, because of cuts to rental assistance vouchers.
- Ryan White HIV/AIDS funding (Titles I & II only) would be reduced by 10% (\$3.2 million).
- Connecticut would receive 36% (\$23.3 million) less in community development grants.

While the Center’s report did *not* address the President’s proposed cuts to entitlement spending (e.g., Medicaid, Food Stamps), these cuts would take *additional* funding from Connecticut, making it even harder for the state to meet its needs and balance its budget.

A separate report by Connecticut Voices for Children highlights the state’s dependence on federal funds, and points to the problems the loss of federal funds could pose for Connecticut’s

state budget and economy. Federal funds currently constitute about one in every six dollars of revenues in Connecticut's budget. In SFY 05, there were about \$2.47 billion in federal funds in Connecticut's budget (17.5% of all General Fund revenues).

This sum, while very significant, greatly understates Connecticut's reliance on federal funds. In FFY 2003 (the most recent year for which there are complete data), a total of \$28.6 billion in federal funds came into Connecticut through direct payments to residents, grants and other payments to the State, procurement contracts, and salaries and wages. This sum was more than twice Connecticut's total own-source FY 03 budget of \$10.85 billion (i.e., excluding its federal funds).

"At a time when the Connecticut legislature must close a \$1.2 billion budget hole, we cannot afford to lose these federal dollars," said **Ellen Scalettar, Senior Policy Fellow at CT Voices for Children**. "From community development to education, this federal budget proposal will hurt our state's families and the future of our economy."

"These cuts simply pass the buck to state and local governments and would hurt our most at-risk populations," said **James J. Finley, Jr., Associate Director of the CT Conference of Municipalities**. "This budget hits Connecticut particularly hard. We challenge Connecticut's congressional delegation to oppose these harmful cuts and pass a federal budget that works for, not against, the people of our state."

"The proposed cuts demonstrate that a fundamental shift of priorities has been made in federal funding. Programs that support those who are risk have been eliminated or reduced to such an extent that real damage will be done. State budgets will be unable to make up the funds that will be lost, should the cuts be approved. These cuts are simply immoral and unjust," said Rev. **Bonita Grubbs, Director of Christian Community Action**. "This budget is bad for American and equally bad for Connecticut. We expect Connecticut's representatives to fight for the right priorities."

"The energy assistance that the government is providing now is not sufficient to meet the needs of Connecticut residents," said **Kevin Brophy, Elder Law Director for Connecticut Legal Services**. "It is important that the federal government maintain its commitment to ensure that people on fixed incomes, especially the elderly, are able to keep their homes warm."

Along with the proposed cuts in discretionary programs, the President and some members of Congress are pushing to make permanent the temporary tax cuts passed in 2001 and 2003, as well as to implement a new round of tax breaks. These tax cuts provide the largest share of benefits to wealthier Americans.

The new analysis by the Center on Budget and Policy Priorities, "Where Would the Cuts Be Made Under the President's Budget," is available at the Center's website: [www.cbpp.org](http://www.cbpp.org). For more information on that study or other CBPP budget analyses, contact the Center's media team at (202) 408-1080. The report by CT Voices for Children on federal funding to Connecticut, "Connecticut's Reliance on Federal Funds: What's at Stake in the Upcoming Budget Debate" is available at [www.ctkidslink.org](http://www.ctkidslink.org) or (203) 498-4240.

Connecticut Voices for Children is a statewide, research-based policy and advocacy organization committed to promoting leadership, policy change, and investment on behalf of all of Connecticut's children and youth ([www.ckidslink.org](http://www.ckidslink.org)). The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.

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