



NEWS RELEASE

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Analysis: Governor's Budget Proposal Cuts Many Children's Services, Fails to Resolve Long-Term Budget Challenges

CT Group Proposes Revenue Alternatives

Governor Rell's new state budget proposal would result in an estimated net \$74.9 million in funding cuts for early care, health, and other services on which children, youth, and families rely, according to an analysis by Connecticut Voices for Children. This net reduction includes \$105.6 million in funding cuts and \$30.6 million in funding increases (\$11.2 million of the increase was in the Temporary Assistance to Needy Families [TANF] cash assistance program, probably reflecting an increased demand due to the recession.)

Connecticut Voices, a research-based policy think tank, noted that the Governor avoided many of the most damaging cuts that had been proposed in her deficit mitigation proposal of December 2009. However, the group's analysis said that much of the funding for preserving these services comes from the use of one-time revenues and budget gimmicks such as current federal stimulus funds, transfers between state accounts, delay of payments to state employee retirement accounts, securitization (selling) of future revenue streams, and the hope of expanded federal aid. Given that the state is facing an historically large \$3.9 billion deficit in Fiscal Year 2012 (according to the Office of Fiscal Analysis), a continued reliance on one-time, quick fix budget solutions places Connecticut's children and economic future at an even greater risk.

Connecticut Voices called for a more balanced approach to solving the state's budget problems that does not rely so heavily on budget cuts to health care, education, child care and other vital services. During Connecticut's recession, the needs of our families have grown at the same time the state has fewer resources to help them, according to Connecticut Voices. The group said that relying on budget cuts alone would result in long-term damage to children's development and the state's economy.

"The Governor's budget proposal relies too heavily on several one-time, quick fix budget gimmicks," said Jamey Bell, Executive Director of Connecticut Voices for Children. "To ensure

we can meet the growing needs of Connecticut's struggling families, we need more responsible and long-term revenue solutions.”

Among the cuts proposed by the Governor that would affect Connecticut's children are:

- Cuts to early care services that would make affordable child care more difficult to obtain for working parents struggling to find and keep jobs in a difficult economy. The Governor cut 12% of funding (\$11.5 million reduction) for the Care4Kids child care program.
- Increased premiums for children enrolled in the HUSKY health insurance program that would result in thousands of children losing health coverage. The Governor proposes increased premiums and co-payments for children in the HUSKY B health insurance program. When HUSKY B premiums were raised in 2004 and again in 2005, thousands of children would have lost coverage had the premium increases gone into effect. Recognizing the harmful impact, policymakers repealed the premiums twice.
- The Governor has also proposed a number of changes to the HUSKY health insurance that will significantly increase costs for families, including co-payments on services for most adults in HUSKY A, discontinuing coverage for non-prescription medication for adults in HUSKY A, and restricting vision services for adults in HUSKY A.

Connecticut Voices praised the Governor for including funds in the Department of Children and Families budget to provide better educational stability for children and youth in foster care. This means that when a child in DCF care is moved into a placement that is outside of his school district, DCF will coordinate with local schools to keep the child in his original school, if it is in the child's best interest.

In response to the Governor's budget proposal, Connecticut Voices suggested several options for increasing revenues as part of a balanced approach to meeting the needs of state residents in the economic downturn. These options include closing corporate tax loopholes, delaying or canceling a reduction in the estate tax that would benefit only very wealthy persons, evaluate the return on investment of hundreds of millions of dollars in corporate tax breaks, and raising income taxes for the wealthy.

Connecticut Voices' analysis of the budget proposal, "The Impact of the Governor's Proposed 2011 Budget on Children," can be found on the CT Voices Web site: www.ctkidslink.org/budgetsheets.html. The brief includes a detailed table of cuts and some increases for services that directly affect children, youth, and families. An analysis of the Governor's HUSKY proposal is also available on the site: "The HUSKY Program Budget in Context: An Analysis of the Governor's FY 2011 Budget Proposal." For more on CT Voices' revenue proposals, see "Connecticut Needs a More Balanced Approach to Resolving the Budget Deficit," at http://www.ctkidslink.org/pub_detail_490.html.

Connecticut Voices for Children is a statewide research and policy organization that works at the state and federal levels to advance public policies that benefit the state's children, youth and families. For more information on Connecticut Voices, see www.ctkidslink.org.

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