



News Release

33 Whitney Avenue
New Haven, CT 06510
Voice: 203-498-4240
Fax: 203-498-4242
www.ctvoices.org

STATEMENT BY
ELLEN SHEMITZ,
EXECUTIVE DIRECTOR
OCTOBER 27, 2017

Contact: Roger Senserrich
Communications Director
203-498-4240 x117
rsenserrich@ctvoices.org

New State Budget Proposal Averts Short-Term Crisis, But Fails to Address Long-Term Deficits and Harms Vulnerable Children and Families

The Connecticut General Assembly's approval of a new budget appears to have ended the state's immediate fiscal crisis with an apparently veto-proof bipartisan measure. While the budget deal ended months of uncertainty and gridlock in the Capitol and may signal a move away from polarization towards more bipartisan cooperation to address Connecticut's challenges, it fails to offer the more comprehensive structural changes necessary to assure long-term fiscal health and economic growth. Moreover, the budget trades the needs of poor children and families for the interests of the wealthy, balancing the budget by increasing taxes for low-income families while offering relief in estate taxes for those with significant wealth.

The bipartisan agreement has averted immediate municipal budget crises. Thanks to the agreement, the City of Hartford will not fall into bankruptcy this year. It leaves unresolved, however, how the state and municipalities will address the ballooning teacher pension debt which, as currently structured, results in higher state payments per teacher for towns with more resources. Teacher pension payments are expected to increase by nearly 500 percent (up to \$6.2 billion a year) over the next 15 years. Although the current budget proposal moves some of the burden of the payments to teachers themselves, it does not reduce future payments or address the inequity of higher payments by the state to property-rich communities.

The agreement falls short in two other key areas. First, the final bill substantially increases taxes for low-income children and families. The reduction of the Earned Income Tax Credit and property tax credit represent a \$90 million tax increase for working and middle-class families. Second, the budget jeopardizes programs focused on prevention. Cuts to HUSKY, the state's Medicaid program, will leave 9,500 parents looking for health insurance. Other cuts jeopardize services supporting youth education and health, potentially increasing long-term costs. These changes place even more obstacles in front of parents trying to provide food, shelter, and financial security for their children.

On balance, this budget agreement is a step forward for our state but remains a stop-gap measure that does not address the causes of Connecticut's structural deficit or provide significant long-term relief to the City of Hartford. Moving forward, we urge consideration of more sweeping changes, grounded in a commitment to economic growth and opportunity for all. We hope that the newfound bipartisan spirit in the General Assembly enables policymakers to take up this challenge.

About Connecticut Voices for Children: Connecticut Voices for Children is a research-based child advocacy organization working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential. In furtherance of its mission, Connecticut Voices for Children produces high-quality research and analysis, promotes citizen education, advocates for policy change at the state and local level, and works to develop the next generation of leaders.