



# News Release

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

JUNE 12, 2018

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

## **New State Budget Fails to Address Long-Term Structural Challenges, Report Warns** *Children's Budget Spending Hits New Record Low*

NEW HAVEN – A new report by Connecticut Voices for Children warns that the recently approved state budget does not include the structural reforms Connecticut needs to support equitable economic growth and achieve long-term fiscal stability. Although the General Assembly did protect, and in some cases expand, many education, healthcare, and early childhood programs, the total share of state spending dedicated to children and families ("the Children's Budget") sank to a record low, at 27.3 percent, driven by cuts to early childhood, behavioral health, juvenile justice programs, and higher education.

The budget report provides a detailed analysis of changes to both the revenue and expense side of the budget, welcoming the restoration of HUSKY health care coverage for over 13,500 parents and funding for some education and early childhood programs, while also shining a light on the legislative failure to identify sustainable funding for these programs, relying on short-term fixes and one-off revenue sources.

Jamie Mills, Director of Fiscal Policy and Economic Inclusion warned: "Although legislators restored funding for key programs this year, the failure to address the underlying structural challenges increases the risk of harmful cuts in the next budget cycle."

According to Rachel Silbermann, Fiscal Policy Fellow at Connecticut Voices for Children, "Nonfunctional costs have increased from 21 percent of the General Fund's budget ten years ago, to 34 percent of General Fund spending today. The lack of structural reforms in this year's budget, added to slow economic growth, means Connecticut will face steadily-growing deficits over the next four years: \$2.0 billion in Fiscal Year (FY) 2020, \$2.5 billion in FY 2021, \$3.1 billion in FY 2022, and \$3.6 billion in FY 2023."

The report does recognize positive changes the General Assembly introduced to the fiscal restrictions adopted in last year's budget. The Bond Lock covenant provisions that prohibited legislators from changing budgetary rules were reduced from 10 to 5 years, eliminating some of the uncertainty derived from inflexible budget rules. Some bonds were excluded from the Bond Lock provisions and the volatility cap was amended, giving more control to legislators.

"While we appreciate the bi-partisan effort to meet the critical needs of vulnerable populations and to fix some of the challenges posed by the draconian Bond Lock, we fear that overall the budget relies upon short-term fixes without addressing the fundamental drivers of the fiscal, economic and social challenges facing the state," says Ellen Shemitz, Executive Director at Connecticut Voices for Children. "Connecticut's future prosperity depends upon an unwavering commitment to true equity of opportunity and smart investments in healthcare, early childhood, education, and infrastructure so that all of our children graduate from high school ready for success in college and career, all of our businesses can depend upon a well-educated, prepared workforce, and all of our cities and towns can contribute to a shared prosperity and high quality of life."

*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.*

*Connecticut Voices for Children is grateful to the Grossman Family Foundation, the Melville Charitable Trust, and the Stoneman Family Foundations for supporting our fiscal work, and to the Community Foundation of Greater New Haven, Fairfield County's Community Foundation, and Hartford Foundation for Public Giving for their invaluable unrestricted support.*