



News Release

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Report: Legislature's Budget for Children and Families Handcuffed by Counterproductive Budget Rules

While the state budget proposal by the General Assembly's Appropriations Committee protects many programs that serve children and families from budget cuts, rigid and counterproductive budget rules are starving schools, infrastructure, and health systems of critical investments, according to an analysis by Connecticut Voices for Children. Even though the state faces a large budget deficit for the next two fiscal years, the state's volatility cap and revenue caps are depriving the state of revenues it needs.

Over the next two years, the volatility cap is projected to sweep \$630 million from the General Fund into the state's rainy day fund (the Budget Reserve Fund). The revenue cap will also deplete the General Fund of an additional \$22 million. Finally, the spending cap is preventing the state from making needed investments in early childhood education, health care access, and infrastructure, the analysis finds. Even with the funds available to make these investments, rules adopted by past legislatures prohibit the current legislature from doing so.

"Connecticut has the financial capacity to expand access to high-quality child care, K-12 education and health care," said Sharon Langer, Interim Executive Director of Connecticut Voices for Children. "But our budget rules handcuff legislators and force us into a downward spiral of deeper cuts in the coming years."

The report praised the Appropriations Committee for restoring funds for juvenile justice services that had been previously cut. It also highlighted new dollars for start-up costs for a public option to expand health insurance coverage, and a paid Family and Medical Leave program.

The report supported the Finance Committee's plan to raise revenues through a surcharge on capital gains for high-income residents and through closing corporate tax loopholes. However, it faulted the Committee for falling \$340 million short of the revenues proposed by Governor Lamont's for the next two years.

The report recommended that state legislators and the Governor repeal the state's Bond Lock, revise the volatility cap, and implement additional tax reforms that begin to correct the state's regressive revenue system by asking more of the state's wealthiest residents.

"By making some common sense reforms to the state's radical budget rules, we can ensure that our state budget supports, rather than undermines the investments we need for Connecticut's economic growth and competitiveness," said Jamie Mills, Director of Fiscal Policy and Economic Inclusion at 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.

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