

## **Rell Makes \$35 Million In Additional Budget Cuts**

**By CHRISTOPHER KEATING**  
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With Wall Street still in turmoil and state tax collections slowing, Gov. M. Jodi Rell ordered another round of spending cuts Tuesday by slicing \$35 million from the state budget.

But this is just the beginning.

The state's budget deficit is now projected at about \$300 million for the current fiscal year, and many state officials believe the red ink will deepen as wealthy Fairfield County investors suffer huge hits in their stock portfolios because of the volatility on Wall Street.

Rell's announcement came on a day when the state suffered another economic blow the pending layoff of about 700 workers at the Foxwoods Resort Casino, a financial powerhouse that seemingly had been immune to economic swings.

Monday's "historic plunge on Wall Street shows there is still a dramatic level of uncertainty in our financial markets and that we need to act sooner rather than later," Rell said in a press release. "We cannot and will not spend money that we do not have. We cannot and will not place burdens on our taxpayers that they are unable to support. And we cannot and will not wait until the state budget deficit is so large that it has become truly unmanageable."

Rell's latest cuts come on the heels of about \$140 million in reductions announced in late June for the fiscal year that started July 1.

Because the latest \$35 million reduction represents only about 11 percent of the current projected deficit, Rell and the legislature clearly will need to make more difficult decisions in the near future to close the gap.

That process will begin today, when state Comptroller Nancy Wyman is expected to declare that the deficit is projected to be more than 1 percent of the budget. Under state law, Rell will have to submit a budget-cutting plan to the legislature within the next 30 days.

"I think we have tough decisions ahead of us," said Robert Genuario, Rell's budget director. "We have \$265 million to go. We still have work to do. It's not the final exercise."

The cuts announced Tuesday will affect 30 agencies and departments and were designed to have as little impact as possible on state services.

The largest amount is about \$12 million in personnel costs at various agencies, but that savings is expected to be achieved through a hiring freeze Rell previously announced.

The state police will be spending about \$1 million less in labor costs, mainly because of decreased overtime. In addition, the state police will save about \$417,000 because they will have to hold on to their cars longer turning them in after four years, rather than three.

Unlike passenger cars, which are often used in a short commute, police cars rack up much higher mileage on an annual basis.

At the Department of Children and Families, cuts of about \$10.75 million will be possible because the department is serving about 1,000 fewer children than it did four years ago, officials said.

When the state budget was crafted two years ago, the department served a higher number of

children. But Rell and the Democrat-controlled legislature decided not to reopen the second year of the two-year budget. As a result, the estimates within the budget were not recalculated and did not reflect the lower population being served.

"The present level of services for children will not be affected" by the latest round of cuts, said Gary Kleeblatt, a DCF spokesman.

DCF has been able to save money by placing more children in group homes and in community placements, rather than the more expensive institutional settings, officials said.

The state will also cut \$150,000 from a \$3 million appropriation for the southeastern Connecticut transit system, but the system has been stalled, anyway, because local and regional officials have been unable to generate their own \$3 million to match the state's contribution, Genuario said.

State law limits the governor's budget-cutting power. She can cut as much as 5 percent of the budgets in certain departments, but, for example, she has no authority to cut the money being sent to cities and towns.

Only the legislature can reduce municipal aid. As a result, Rell will be making recommendations for cuts during the next 30 days that can only be accomplished with legislative approval.

House Speaker James Amann, a Milford Democrat, said the legislature is willing to work with Rell in the months ahead to tackle the deficit.

"These are challenging economic times for our nation, and the legislature recognized this early on by working with the governor on a bipartisan basis, which included giving her the authority to make rescission decisions up to certain thresholds," he said.

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