



**Dannel P. Malloy**  
GOVERNOR  
STATE OF CONNECTICUT

June 21, 2017

Dear Legislative Leaders and Members of the General Assembly,

As you know, in the absence of an appropriations act, I have an obligation to maintain essential services and satisfy obligations by allocating funds under executive authority. Operating state government in this manner is not my preferred method, or yours. However, I am committed to ensuring that the state is managed responsibly and in such a way that we do not exacerbate our existing fiscal challenges.

This would be a difficult and painful process. The amount of revenue that will be available falls well short of current expenditures. Increases in pension contributions and debt service, coupled with caseload growth in DSS, DMHAS, and DDS far outstrip our resources. This means any plan to allocate available resources would entail deep and difficult cuts to valued programs.

Regardless, should this scenario come to pass, I would evaluate the various demands for state services and resources, the existing legal requirements of state agencies under statute, and the resources available. With these considerations in mind, I would then allocate funding to agencies in order for them to carry out critical state functions.

To that end, and in order to plan for all possible contingencies, I have tasked OPM with developing a plan for managing state government through funding allocations based on the following five principles:

1. We should not increase our projected deficit – rather, we should apportion funds according to a plan that is in balance for the entire fiscal year.
2. We should allocate funding to first support the most essential health, safety, and human services for our most vulnerable residents.
3. We should consider the fiscal capacity of outside organizations – including cities and towns – when apportioning reductions.
4. We should comply with various court orders, stipulations, and mandates, including but not limited to the Municipal Revenue Sharing Account (MRSA), the Juan F. case, CCJEF, and the SNAP and Medicaid programs.
5. We should honor our tentative collective bargaining agreements while such agreements are under consideration by state employees and by the Connecticut General Assembly.

A detailed plan based on these principles will be finalized and released publicly before June 30. Should we need to go down this difficult path, my administration will be fully transparent throughout. We will provide clear public notice of our plans and actions, and make sure legislators, the press, and the public are fully briefed on an ongoing basis.

Again, it is my sincere hope that we can and will pass a budget before the end of the fiscal year. At the same time, I feel it is prudent to share how I will fund state government should we fail to achieve our common goal.

Thank you for your partnership, and your continued work on behalf of our constituents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dannel P. Malloy". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

Dannel P. Malloy  
Governor