



COMPARISON: MALLOY ADMINISTRATION “MINI BUDGET” VS. NO-BUDGET SCENARIOS

As it becomes increasingly clear Connecticut may not have an adopted state budget for the coming biennium, Governor Malloy has released a “Resource Allocation Plan” for operating government without a budget, and also a proposed “mini budget” which would require legislative approval and operate state government until October 1.

Both options would cut expenditures drastically in order to keep our state’s finances in balance. However, acting solely within the executive authority limits the tools available to the administration, resulting in more drastic cuts. Governor Malloy strongly encourages the legislature to pass the mini budget before July 1. Connecticut is set to enter the new fiscal year with a projected General Fund deficit of more than \$2.1 billion – the time to act is now.

| | No-Budget Allocation Plan | Proposed Mini Budget |
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| Revenue | <ul style="list-style-type: none"> No revenue changes possible. Balances \$2.1 billion shortfall solely through expenditure reductions. | <ul style="list-style-type: none"> Adopts \$317.5 million in revenue options common to budget proposals from Democrats and Republicans, allowing for more thoughtful and broad-based spending reductions. |
| Municipal Aid | <ul style="list-style-type: none"> Sharply reduces municipal aid, zeroing out discretionary grants, and cutting ECS grants by hundreds of millions. | <ul style="list-style-type: none"> Municipal aid reductions are less severe and ameliorates cut in education aid. It provides municipalities additional tools such as an extension of time to adopt budgets and a revision of the motor vehicle tax cap. |
| Hospitals | <ul style="list-style-type: none"> Eliminates supplemental payments, including payments under the Small Hospital Pool. | <ul style="list-style-type: none"> Restores approximately \$35.6 million of state funding for hospital supplemental payments, including small hospital payments, resulting in total hospital revenue of \$111.4 million, inclusive of federal share payments. |
| Social Services and Non-Profit Providers | <ul style="list-style-type: none"> Some DDS, DMHAS, and DOH clients will no longer receive services. Non-profit providers will have their funding cut 5%-10%. | <ul style="list-style-type: none"> Restores \$56.5 million in funding for non-profit providers, preserving many critical services or reducing financial harm to providers and their employees. |
| Industry-funded agencies | <ul style="list-style-type: none"> Funded at basic level. | <ul style="list-style-type: none"> Recommended for full annual appropriations. |
| Impact on bonding | <ul style="list-style-type: none"> No ability to hold Bond Commission for General Obligation debt; automatic authorizations would lead to exceeding the debt limit. | <ul style="list-style-type: none"> Adoption of a revenue schedule, even for partial funding, will allow continued consideration of critical debt-funded projects, and will reduce need for project cancellations to stay within the debt limit. |
| Other Differences | <ul style="list-style-type: none"> Rental Assistance Program (RAP) cut by \$4.5 million. Statewide funding for Honor Guards eliminated. Zeroes out funding for summer youth jobs programs. Raises for judges will take effect in the absence of legislation authorizing delay. | <ul style="list-style-type: none"> Rental Assistance Program maintained. Honor Guard maintained. Partially preserves funding, or \$3.5 million, for summer youth jobs programs. Delays salary increases for judges. Allows for changes to Medicare Savings Program, freeing up over \$66 million to reduce program and municipal aid cuts. |