

## State Spending Has Already Been Reduced to *Below* FY 01 Levels For Many Programs and Services Important to CT's Children, Youth Families and Economic Competitiveness

Spending cuts made already are not just reductions in proposed spending increases as some have claimed. Rather, dozens of state-funded programs and services have had significant proportions of their state budgets cut. **At least half of the cuts to General Fund budget accounts reduce spending well below SFY 01 levels.** The following table compares *current* levels of funding in SFY 03 (after 11/02 rescissions) to funding in SFY 01. (Adjusted for inflation, these cuts would be even deeper.)

<b>Examples of Programs/Services &amp; % of State Funding Cut: (Current Revised FY 03 Budget v. Actual FY 01 Budget)</b>			
OPM-Truancy prevention	<b>-100%</b>	DSS – Human resource develop.grants	<b>-20%</b>
OPM- Leadership, Education, Athletics in Partnership	<b>-23%</b>	DSS- Temporary Assistance to Needy Families	<b>-11%</b>
OPM –Child & Youth Program Dev'mt	<b>-66%</b>	DSS – Safety net services	<b>-25%</b>
OPM – Neighborhood Youth Ctrs	<b>-37%</b>	DSS – Transitional rental assistance	<b>-48%</b>
OPM – Boys & Girls Clubs	<b>-29%</b>	DSS – Services to the elderly	<b>-5%</b>
OPM – Drugs Don't Work	<b>-50%</b>	DSS – Employment transportation	<b>-7%</b>
OPM – Drug Enforcement Program	<b>-20%</b>	DSS – Energy assistance	<b>-100%</b>
OPM – PILOT –New Manufacturing Equipment	<b>-11%</b>	DSS – DMHAS/Medicaid Disproportionate Share payments	<b>-30%</b>
OPM - Regional Planning Agencies	<b>-100%</b>	DSS – Services to persons w/disabilities	<b>-21%</b>
<b>OPM – TOTAL Budget</b>	<b>-30%</b>	DSS – Opportunity industrial centers	<b>-100%</b>
SDE – Head Start	<b>-11%</b>	DSS – Child day care center grants	<b>-45%</b>
SDE – Family Resource Centers	<b>-13%</b>	DSS – School readiness grants	<b>-43%</b>
SDE – Inter-district cooperation	<b>-27%</b>	DSS - Child day care grants to towns	<b>-29%</b>
SDE – Special ed –excess cost/equity	<b>-100%</b>	DMHAS – Regional Action Councils	<b>-53%</b>
SDE – Transitional school districts	<b>-100%</b>	DPH – Children's health initiatives	<b>-21%</b>
<b>SDE – TOTAL budget</b>	<b>-8%</b>	DPH – Needle & syringe exchange	<b>-21%</b>
DHE – CT Independent College Student Grant	<b>-15%</b>	DPH – Breast and cervical cancer detection and treatment	<b>-17%</b>
DHE – CT Aid for Public College Students	<b>-11%</b>	DPH – Community health services	<b>-25%</b>
DHE – Capitol Scholarship Program	<b>-6%</b>	DPH – Tuberculosis screening/care	<b>-18%</b>
<b>DHE - TOTAL budget</b>	<b>-23%</b>	DPH – Genetic diseases program	<b>-35%</b>
U. of CT, CSU, Regional C-T Colleges	<b>-5%</b>	DPH – Grants to local health depts.	<b>-9%</b>
Judicial – Juvenile Alternative Incarceration Programs	<b>-6%</b>	Labor – Vocational & manpower training	<b>-18%</b>
Judicial – Juvenile Justice Centers	<b>-6%</b>	Labor – Summer youth employment	<b>-25%</b>
Judicial – Truancy services	<b>-11%</b>	DEP – Mosquito control	<b>-67%</b>
DECD – Industry cluster initiative	<b>-58%</b>	OWC – CETC workforce development	<b>-18%</b>

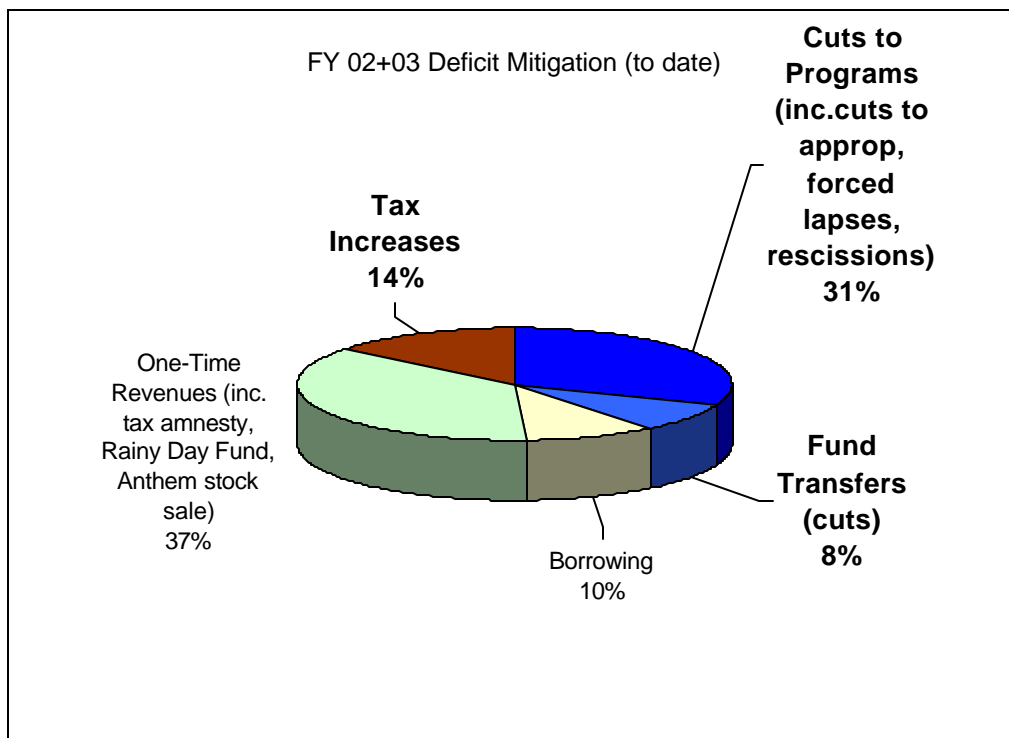
Other programs and services that relied in whole or part on SFY 01 “surplus” funds also had funds cut (i.e., Alternative to Incarceration Program, DSS’ school readiness) and *some* have **no on-going funding provided after this year**, including

- CT Television Network
- medical benefits and food stamps for legal immigrants
- funds to enhance nursing home staffing.

In addition, the layoff of 2,800 state employees and hiring freeze that is leaving many state positions unfilled is eroding the quality of state programs and services. Further, cuts in state funding to cities and towns results in the layoff of city employees and reductions in city programs and services (and/or increasing property taxes).

## **\$2.25 Billion in FY 02-03 Deficits Already Have Been Addressed – Spending Cuts Were Nearly 3 Times Greater Than Tax Increases**

- Cumulative cuts in funding thus far to address the cumulative SFY 02-03 deficit of \$2.25 billion (made in the 9/2001, 12/2001, and 11/2002 rescissions, November 2001 Special Session and May 2002 Special Session) total \$860 million:
  - \$693 million was cut from General Fund budget accounts
  - An additional \$167 million was transferred to the General Fund from the cash reserves of other programs (e.g., CT Innovations, CT Development Authority, CT Housing Finance Authority, Tobacco Health Trust Fund, Biomedical Research Trust Fund) resulting in cuts in funding for these purposes
- Tax increases to date total only \$317 million and half of this is from the cigarette tax increase
- To date, there has been \$3 in spending cuts for each \$1 of tax increases.



**State budget deficits should be addressed with a *balanced* approach. This means the *current* \$500-\$600 million deficit must not be viewed in isolation. Deficit mitigation must next rely on increasing revenues.**

- *Current* deficit-mitigating proposals must take into account what we have *already* done to address the SFY 02 and 03 deficits
- Efforts to date have relied far more on *spending cuts* than on *revenue increases* to balance the state budget.
- Yet state deficits did not result primarily from excessive growth in state spending, but rather from sharply declining revenues resulting from \$2 billion in tax cuts in the late 1990s.