

Gov. Recommends 5,466 Layoffs; \$54 Million Cut To Cities & Towns

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(Updated 9:16 p.m.) In an effort to balance the two-year, \$40.11 billion budget, Gov. Dannel P. Malloy recommended the elimination of 6,466 positions from the state budget Tuesday. About 1,000 of those positions are currently vacant which means nearly 5,500 state employees will lose their jobs if the legislature gives him the power to make the cuts. Malloy also recommended cutting \$54 million a year in municipal aid.

The elimination of all 6,466 positions amounts to a 14.1 percent reduction of the state's workforce, but depending on what state agency commissioners decide that number could be lower.

"These are the recommendations that were sent to the legislature, and if enacted, it will be left to each Commissioner to determine how to achieve the savings outlined," Colleen Flanagan, Malloy's spokeswoman said. "Some commissioners might choose to lay off more people to get to that number, some might choose to lay off a lower number — and find additional savings elsewhere."

The number of layoffs could change depending on how each commissioner chooses to reduce its agency budget. They could choose to eliminate programs, rather than positions, Flanagan said.

The [one-page spreadsheet](#) put together by the Malloy administration shows the Department of Corrections would be hit especially hard if they follow the governor's recommendations and eliminate 1,019 employees, which amounts to a 15.7 percent reduction in personnel.

The Corrections officers voted against the \$1.6 billion concession package and are in the midst of renegotiating their contract with the state. In addition to the layoffs Corrections Commissioner Leo Arnone announced Tuesday that he will close Bergin Correctional by Aug. 15 and layoff notices will go out to the more than 200 employees at the facility by the end of this week. The inmate population at Bergin has decreased from 931 at the beginning of the year to around 660 over the past few months, according to sources. The prison had been on the [chopping block](#) earlier this year when it didn't look like union leaders and the Malloy administration would be able to come up with a concession deal to offer union members.

The governor also recommended eliminating 817 workers from the Department of Transportation, 540 workers from Department of Development Services workers, 486 workers Department of Mental Health and Addiction Services, 359 workers from the Department of Children and Families, and 333 from the University of Connecticut, and 165 from the UConn Health Center, just to name a few.

In addition to state agency reductions, Malloy recommended the elimination of 450 workers from the Judicial and 50 from the legislative branches of government. There was also a recommendation to eliminate three workers from the governor's office and two from the lieutenant governor's office.

The Department of Transportation takes the biggest hit to its budget. It's being asked to find \$78.33 million in savings in the first year of the budget and \$83.1 million in the second year. Those dollar amounts are followed by the Corrections Department which is being asked to find \$62.9 million in the first year and \$78 million in the second year.

“We remain committed to seeing to it that the 45,000 members of the unions in SEBAC can play a positive role in helping to close the budget gap,” Matt O’Connor, SEBAC spokesman, said Tuesday evening. “Laying-off thousands of workers and slashing public services is not what Connecticut needs to get the economy moving.”

“The damage that these layoffs would cause make clear how important it is we come up with a solution that works for everyone in Connecticut,” O’Connor said.

But union leaders announced [Monday](#) the coalition has been unable to come up with a solution to the rejection of the concession deal. Union leaders tabled rejection of the tentative labor agreement.

Eleven of the 15 unions and 26 of 34 bargaining groups voted to ratify the agreement, but under the complicated bylaws of the coalition 14 of the 15 unions needed to ratify the agreement and 80 percent of the voting members also need to approve it. It failed to meet either threshold, even though a majority voted to ratify it.

While labor leaders ponder their next steps, Malloy is moving ahead with eliminating \$1.6 billion from the two-year, \$40.11 billion budget.

The recommendations Malloy made Tuesday eliminates \$704 million in fiscal year 2012 and \$905 million in fiscal year 2013. It also reduces town aid to municipalities by \$54 million in each year of the budget.

“While the proposed municipal aid cuts could have been much worse, the \$54.4 million cut next year is going to hurt,” Jim Finley, executive director and CEO of the Connecticut Conference of Municipalities, said. “Many towns relied on this funding in their already adopted budgets.”

He said CCM will be asking the General Assembly to reject these cuts in municipal aid.

He will be joined in his opposition by the Council of Small Towns.

“The \$54.4 million in cuts to municipal aid proposed by Governor Dannel P. Malloy decimates vital programs such as the Town Aid Road grant program. The Town Aid Road program - which provides much-needed revenues to towns to help maintain the safety of local road networks to benefit businesses and citizens - has historically been underfunded even though the cost of repairing and maintaining local roads has increased significantly,” Elizabeth Gara, COST Public Policy Director, said.

Malloy will ask the legislature on Thursday for increased rescission authority to make the cuts, but it’s still unclear exactly how much control over the budget he will ask for, or be granted. Democratic sources say he will ask for the same power he asked for back in February.

Currently, the governor has the authority to cut 5 percent of any appropriation and 3 percent of any fund in a financial crisis without legislative approval. In February, Malloy asked the legislature to increase the threshold to 10 percent of any appropriation and five percent of any fund. Further, Malloy asked the legislature to allow him to cut municipal aid without legislative approval.

Democratic leaders denied him the increased rescission authority during the legislative session, but Sen. President Donald Williams, D-Brooklyn, and Majority Leader Martin Looney, D-New Haven, said their caucus was willing to take decisive action on Thursday.

“There is complete agreement in our caucus that we need to take decisive action on Thursday,” Williams said. “Folks understand that the longer this drags on the worse it gets.”

Looney said statistics they received from the governor's office inform them that every day past July 1 they wait to balance the budget the number of layoffs increases to 29 layoffs per day or \$1.6 million per day they will have to cut.

Williams said giving the governor greater rescission authority gives them greater flexibility in making changes to the budget.

"If circumstances change, if in a couple of weeks or a couple of months better cuts present themselves and allow us to moderate some of the other cuts, such as some of the cuts to municipal aid, the governor has the ability to ratchet back, reduce, or cancel some of those rescissions and go in a different direction," Williams said. "If we just voted on a cut package we'd have to come in again, and again to make those revisions."

Williams said his caucus is mostly concerned with municipal aid. He said he was told by the governor's staff that the \$54 million per year in town grants, does not include Education Cost Sharing funds, which are generally the largest state grant to cities and towns.

Williams said his caucus was willing to extend Malloy's rescission authority for two fiscal years.

House Speaker Chris Donovan declined comment until he can meet with members of his caucus Thursday morning.

Sen. Minority Leader John McKinney, R-Fairfield, sent a letter to all lawmakers regarding Malloy's request for increased budget cutting power.

"Some have strained to compare Governor Malloy's request with prior instances where the legislature granted certain emergency rescission authority to Governor Rowland. However, the facts show that neither case involved the broad delegation of authority to make deep cuts that Governor Malloy is requesting," McKinney wrote.

He said the first instance of a requested for increased rescission authority came in 2002 in the middle of the biennial budget cycle.

"As part of the budget adjustment bill, the legislature gave Governor Rowland the limited authority to cut spending by no more than \$35 million. Such authority kicked in only if after October 1, 2002 budget resources were still insufficient to fund expenditures," McKinney recalled. "Rather, he was given the very limited ability to address a mid-term budget shortfall by making small additional rescissions. In fact, it appears that Governor Rowland never exercised the excess rescission authority given him as his reductions never exceeded the existing statutory threshold."

Sen. Andrew Roraback, R-Goshen, said Tuesday that both Rowland and former Gov. M. Jodi Rell were given increased rescission authority during times when the legislature wasn't in session and the budget was mid-way through the fiscal year. Not to mention the problem wasn't to the magnitude of \$1.6 billion, he added.

"They were problems of \$40 million and \$60 million, and the statute already recognizes it's appropriate for the governor to have authority to make minor adjustments on the margins for unanticipated budget problems," Roraback said. "We have a \$1.6 billion, two-year crisis. This is not an unanticipated minor problem."