



Published on *The Connecticut Mirror* (<http://ctmirror.org>)

Home > Malloy recommends nearly 5,500 layoffs, \$54M cut in town aid

Malloy recommends nearly 5,500 layoffs, \$54M cut in town aid

Keith M. Phaneuf

June 28, 2011

Gov. Dannel P. Malloy has recommended nearly 5,500 state employee layoffs, elimination of 1,000 other vacant positions and a \$54 million cut in municipal aid to help offset the unrealized savings from the failed union concession deal.

It was unclear from limited details released late Tuesday afternoon how much savings could be achieved over the next two fiscal years from the 6,466 recommended job cuts.

Malloy spokeswoman Colleen Flanagan wrote that commissioners and other agency heads will be charged with finding the \$700.7 million in savings needed to balance finances in the \$20.14 billion budget for the fiscal year that starts July 1, and another \$901.2 million in the \$20.4 billion budget for 2012-13.

And though the governor's budget agency, the Office of Policy and Management, "thinks the number of suggested layoffs will help them get there," Flanagan wrote, "some commissioners might choose to lay off more people" to achieve their savings target. "Some might choose to lay off a lower number and find additional savings elsewhere."

State Employees Bargaining Agent Coalition Larry Dorman responded late Tuesday that unionized workers remain committed to playing a "positive role" to help balance the budget.

"Laying-off thousands of workers and slashing public services is not what Connecticut needs to get the economy moving," he said. "Cutting thousands of middle-class jobs will only add to our stagnant unemployment rate. Slashing services that every resident and business owner relies on will only degrade our quality of life. 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."

The Malloy plan likely would hinge on state legislators granting his request for expanded emergency budgetary authority. The governor technically can reduce most line items by up to 5 percent, though municipal aid is exempt, and many others cannot be touched because of contractual or other legal obligations.

Malloy has asked lawmakers to boost the authority up to 10 percent, and to lift the exemption on town aid. With those powers, plus his existing authority to order layoffs, Malloy has said he believes he can close the fiscal holes created by the failed labor deal without any additional tax hikes.

The governor's fellow Democrats in the House of Representatives' majority caucus were wary of ceding that power during the regular session, and reportedly were still pressing Malloy last week to provide more details about how he would reshape the budget.

The legislature will be in special session on Thursday, either to consider expanded powers for the governor or to consider other budget adjustments on their own to rebalance state finances.

Senate President Pro Tempore Donald Williams, D-Brooklyn, said his caucus is "in complete agreement that we have to take decisive action on Thursday." He said Senate Democrats are prepared to give Malloy temporary authority to cut line items up to 10 percent and to reduce municipal aid.

"If we make these cuts through the governor's rescission authority, there's more flexibility" to adapt to changing conditions," he said.

Senate Majority Leader Martin Looney, D-New Haven, said legislators still hope the unions will reconsider the concession package. Williams said "there's a lot of frustration" with the defeat of the deal.

"Folks are very interested in looking at the whole big picture of how we address wages and benefits for state employees," he said.

Douglas Whiting, spokesman for the House Democratic Caucus, said Tuesday evening that Speaker Christopher G. Donovan, D-Meriden, had begun to review Malloy's budget adjustment outline. "He wants to have a conversation with caucus members about the document Thursday morning," Whiting said, adding that "we're still awaiting more detail from the administration."

Malloy's budget director, OPM Secretary Benjamin Barnes, who briefed Democratic legislative leaders on Tuesday, said they were interested and understandably have questions about the plan.

"The clearly do need to and intend to discuss this in caucus," he said. "It's an unusual time we're in and many of the decisions before the General Assembly are unprecedented."

The single-largest number of recommended job reductions 1,019, were recommended for the Department of Correction, with the administration also announcing plans Tuesday to close the Bergin Correctional Institution, a mid-level security prison in Mansfield.

Those job cuts would represent 15.7 percent of the work force within the department, which has seen the system-wide inmate population shrink steadily for much of this calendar year. According to administration statistics, there were 17,520 inmates in Connecticut facilities in June, the lowest mark for that month since 2001.

Correction Commissioner Leo C. Arnone, who would be responsible for finding \$62.9 million in savings next fiscal year under this plan, announced Tuesday that his department would close Bergin on Aug. 15, and that an undisclosed number of layoff notices would go to staff assigned there by the end of this week.

Correction Department spokesman Brian Garnett could not be reached for comment late Tuesday afternoon, but according to the department's website, 931 inmates were housed in the Mansfield facility when the year began.

The administration also would delve deep into transportation, cutting 817 jobs - or nearly 25 percent of all positions - and ordering \$78 million in savings in the agency and nearly \$105 million across the entire Special Transportation Fund. The latter not only supports DOT operations, but also covers debt financing for much of the state's highway and bridge repair program.

The state's public colleges and universities are handled differently than departments and agencies within the state budget, receiving a block grant and greater autonomy over how those operating dollars are spent.

And while the \$20 million reduction recommended for the University of Connecticut next year - as well as the \$9.9 million cut proposed for the UConn Health Center - was backed up by the administration with a recommendation to 333 jobs in the former and 165 in the latter, the decision whether to do so rests with the university's Board of Trustees. That group also could consider other options, such as raising tuition and fees to offset the block grant reductions.

The administration plan did not identify how much savings within each agency would be achieved through job reductions versus other cost-cutting measures.

But across the entire plan, about \$258 million in savings would have to come from cuts other than job eliminations or higher education block grant reductions in 2011-12, and another \$251 million from other options in 2012-13, Barnes said.

Malloy, who pledged not to shred the state's social services safety net during last fall's campaign, warned repeatedly that he would be hard pressed to keep that pledge if union concessions were rejected.

And Tuesday the governor recommended cutting 1,624 positions across four departments involving: Developmental Services, Social Services, Children and Families, and Mental Health and Addiction Services.

The governor also had warned he likely couldn't keep his pledge to avoid cuts to municipal aid if the labor deal fell through, and the \$54.4 million reduction he proposed represents 1.8 percent of all municipal aid.

Barnes said the town aid reductions still are being discussed, but the administration is not recommending any cuts at this time to the single-largest grant, the Education Cost Sharing program, which would provide about \$1.9 billion in aid to school districts next fiscal year.

The single-largest reduction proposed for municipal aid involves \$15 million that would be taken from the \$30 million Town Aid Road program.

Smaller education programs would be hit, though, with more than \$23 million in total being cut from a combination of after-school programs, health services for private school students, priority schools, youth service bureaus, charter schools, bilingual education programs and interdistrict programs other than those included in the ongoing school desegregation program.

Another \$9.4 million would come from the PILOT, or Payment In Lieu Of Taxes grants that reimburse communities for lost revenue tied to property tax-exempt colleges, hospitals and state-owned buildings and land.

"A \$54 million cut is going to be a real problem," James Finley, executive director of the Connecticut Conference of Municipalities, said Tuesday. "We're going to be looking to the General Assembly to reject these cuts."

Finley has said repeatedly that cuts to approved aid would leave cities and towns with an array of unpleasant choices: either cut programs, lay off staff, issue supplemental tax bills, or some combination.

"Virtually every town in the state has adopted a budget, set their tax rate and mailed out their tax bills," he said, adding that to deal with the proposed cuts "there are no good options."

Your Government State Budget

Source URL: <http://ctmirror.org/story/13103/malloy-recommends-nearly-5500-layoffs>