



CRCOG's Legislative Report May 1, 2023



Legislative State of Play

Connecticut's new two-year budget will become the focus of the last six weeks of the Legislative Session. All legislative committees met their Joint Favorable (JF) deadlines for the year in April. Committees may still meet to handle bills referred to them from the House or Senate during the legislative session. The month of May and the beginning of June is the busiest time for the Legislature as the session deadline of midnight on **June 7** approaches.

In April, the Appropriations Committee endorsed a \$51 billion budget for the next two fiscal years. The Finance Committee endorsed a \$300 million state tax-cutting plan that includes income tax rate reductions.

Municipal aid, ECS, nonprofit social service agencies, and Higher Education

received little increase, flat or reduced funding under the Governor's budget. They were hoping for an increase from the Appropriations Committee, but the committee was constrained by the budget cap and the recently approved revenue guardrails. These organizations have expressed their disappointment about the current spending when the state has a full rainy day fund and a surplus of more than \$3 billion. A statement issued by the Connecticut Nonprofit Alliance stated, "With inflation at 6.5 percent, a 1 percent increase is essentially a 5.5 percent cut for nonprofit programs, including behavioral and developmental health, housing, community justice and other services on which thousands of human beings across Connecticut depend.

A joint statement by Senate President Looney and Speaker of the House Ritter showed that the Legislature would look for ways to add more revenue to the budget, "We wanted to thank members of the Appropriations and Finance committees for their work in producing a budget and revenue bill this week. We are profoundly grateful to the committee chairs for their hard work in building a consensus, a process we can especially appreciate. This budget will serve as a foundational document as we continue to work to pass a budget by the end of this legislative session. As we move forward, we will be looking at finding ways to bolster funding in several critical areas – Including nonprofits, public schools, higher education, healthcare and childcare workers, paraprofessionals, and group homes – while still protecting the fiscal health of the state and providing residents with historic tax relief."

Governor Lamont is confident there will be a budget agreement by **June 7**. As final budget negotiations begin, Lamont pledges to get "an honestly balanced budget, without gimmicks with a significant tax cut for the middle class and honoring a commitment to the folks most in need."

HB No. 6659 (COMM) AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2025, AND MAKING APPROPRIATIONS THEREFORE.

The Appropriations Committee has released their version of the FY 2024-2025 state budget, which differs from the budget recommendation from the office of the Governor. This budget complies with the statutory spending cap recently extended by the Legislature. The next step in determining the biennium budget will be a negotiation process between the Legislature and the office of the Governor. The driving force behind this budget is the spending cap and how to determine if any additional spending will occur. [AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2025, AND MAKING APPROPRIATIONS THEREFOR.](#) LCO No. 6848 passed with 40 voting in support and 12 opposed.

SB No. 981 (COMM) AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET. The Finance Committee took up the revenue side of the Governor's budget this month—some of the bill's highlights include tax rates, credits, refunds, and exemptions. The bill passed with 31 supporters and 20 opposed. [2023SB-00981-R00-SB.PDF \(ct.gov\)](#)

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