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Lamont presents optimistic view of CT in State of the State address; not everyone agrees

Alison Cross

In a speech interrupted by [protest](#), Gov. Ned Lamont presented a [State of the State Address](#) that underscored tax breaks and attractive budget initiatives while downplaying crises unfolding in the state. After feeling [“footloose” and free](#) in his [2023 address](#), Lamont’s remarks for the 2024 session cast a rosy glow on a state constrained by challenge.

In a meandering 30-minute speech, Lamont emphasized wins secured in 2023, including a tax cut for the middle class, millions of dollars earmarked for mental health, workforce incentives, health care, debt relief, technological advancements in quantum and biopower, and population growth.

Citing the “state’s largest ever commitment to child care, K-12 education, our universities, workforce training, and not-for-profits,” Lamont largely glossed over several problems plaguing the state, including a historic rise in homelessness, a crisis in early child care, continuing teacher shortages, strains on the nonprofit system and deficits in higher education budgets.

The issues Lamont did acknowledge? Affordable housing, extreme behavior, climate change and social media.

“We have too many people who cannot find a place to live — it is not available, or it is not affordable,” Lamont said.

Lamont highlighted new housing development in Connecticut’s urban centers and the commuter rail investments “turbocharging this renaissance.”

The governor said he wants to expand the reconfiguration of empty parking lots, office buildings, and brownfields into new, affordable communities. Lamont said he wants to take that approach to the suburbs.

“We are taking this model across the state, and we will be looking for input from towns and cities — where do you want the housing to be, what is the density, and how far are you from public transportation and our schools? The state will be your partner in completing the financing ASAP to get that shovel in the ground.”

Gov. Ned Lamont unveiled his \$26 billion annual budget on Wednesday, Feb. 7, 2024 during the annual State of the State address to the General Assembly at the Connecticut state Capitol. (Aaron Flaum/Hartford Courant)

He added that the state must balance the growth with green space preservation and other considerations.

“We are one of the densest states in the country — more people per square mile — so we have to manage our growth carefully. What do we want Connecticut to look like in 2035?”

Six minutes into the address, pro-Palestinian protesters interrupted the proceedings shouting “Cease-fire now” as they attempted to unfurl banners from the gallery.

The disruption lasted less than a minute as Capitol Police quickly escorted the demonstrators out.

Returning to the podium, the governor noted that he had been to “a few antiwar demonstrations, as well” back in his day.

Protestors are led out by Capitol police as Gov. Ned Lamont unveiled his \$26 billion annual budget on Wednesday, Feb. 7, 2024 during the annual State of the State address to the General Assembly at the Connecticut state Capitol. (Aaron Flaum/Hartford Courant)

“Whatever the justice of the cause, I think you do a disservice when you’re rude and disrespectful in a room like this. Disrespecting the people in this room, disrespecting the audience,” Lamont said.

His response received a round of applause and standing ovation from lawmakers.

“All right, back to our regularly scheduled programming,” Lamont quipped as he carried on with his remarks.

After discussing continued clean energy initiatives to combat climate change and extreme weather, Lamont turned his attention to “extreme behavior,” which he said “reflects something ... profound.” “Our culture is unleashing more extreme behavior, be it expressions of racism and hate speech, increased domestic abuse and fentanyl overdoses, with a sad surge in mental health calls starting younger and younger,” Lamont said.

When it comes to youth, Lamont said later in his speech that “severe anxiety and aberrant behavior can be traced back to social media.”

“Social media is often anti-social, and too much smartphone makes you stupid,” Lamont said.

To address the problem, Lamont said he hopes to take “little bit from China and a little bit from Beyoncé.”

In China, Lamont said children are barred from using TikTok for more than one hour each day. At Beyoncé concerts, attendees must place their phone in a “Yondr Pouch” — a smartphone sleeve that magnetically locks and unlocks devices to inhibit use.

“We will be sending out guidance to your school board — have your younger students leave their smartphones at home or drop them in a Yondr pouch at the start of every school day,” Lamont said.

Toward the end of his speech, Lamont addressed Connecticut’s fiscal health.

“Like too many of our citizens, Connecticut in years past was living paycheck to paycheck with too much debt and no room for error,” Lamont said. “Today, in addition to making our regular payments to the pension fund we have paid down an extra \$8 billion, saving taxpayers about \$800 million every year for the next 25 years that can be dedicated to critical services.”

The spending caps and guardrails that ushered Connecticut out of debt and into an era of record surplus have been faced with criticism lately from lawmakers who argue that as residents struggle, the state should do more with its reserves.

“Paying down our debts and a robust rainy day fund doesn’t short change our programs, it has resulted in six years of consistent increases in our key social programs, rather than the herky-jerky boom and bust cycles of yesteryear,” Lamont said.

But not everyone in the legislature agrees.

“I’ve been here during some really challenging and promising economic cycles. I’ve been here for \$4 billion deficits, never fun. I’ve been here for \$4 billion surpluses. That should be fun, but it doesn’t quite feel that way right now,” said House Majority Leader Jason Rojas, reflecting on his 16 sessions in the legislature in a speech before Lamont’s address.

“We are paying down debt. Wall Street has responded positively. The business community has responded positively. Those are all good things, but what about the stability of many other critical institutions in our state? Our system of higher education is not stable. Our nonprofit providers are not stable. Our homelessness response system is not stable. Our state agencies are understaffed. We’ve done our best to provide as many resources as we can to them, but we have to do more,” Rojas said.

In reference to Lamont’s [proposed budget adjustments](#), Rojas said the legislature will have “some tough decisions to make.”

“We’ll have to strike a careful balance between his priorities and ours, recognizing that we share many similar priorities between the executive branch and the legislative branch,” Rojas said. “We clearly have the work to do. Are we up to that challenge? I believe we are.”

Lamont proposes broad bill to address elder care reform in CT

Jenna Carlesso

Citing the state's ballooning older adult population and lapses in care at several Connecticut nursing homes, [Gov. Ned Lamont](#) released a [wide-ranging bill](#) Wednesday that proposes reforms across the elder care sector, from measures designed to increase transparency in nursing home operations to consumer protections for people in assisted living centers.

The proposal by Lamont marks the first time the governor has introduced a comprehensive bill on elder care. But House Speaker Matthew Ritter, D-Hartford, said he and other legislative leaders are also preparing a broad measure targeting aging services.

The Connecticut Mirror has reported extensively on gaps in the state's elder care system — both in nursing homes and home care — and highlighted worsening conditions in many nursing facilities. Serious violations known as immediate jeopardy orders were on the rise in 2023, a major nursing home chain faced a number of lawsuits, and the chief executive officer of that company acknowledged he was six months behind in paying health claims for employees.

“Older adults deserve dignity, and family caregivers should have peace of mind that their loved ones are receiving good care across the long-term care continuum,” Lamont said in a statement. “Our proposal provides a comprehensive strategy that moves beyond a system of minimum standards and penalties to one that rewards high quality, aligns the industry around person-centered care, and promotes transparency.

“The COVID pandemic resulted in some of the most acute care issues in nursing homes and congregate care settings, that's why we are focusing on strengthening industry standards.”

Under the governor's bill, the state would create a website where people could compare nursing homes' quality ratings, track complaints and find information about recent safety violations and staffing levels. Multiple agencies could feed information to the site, including the Department of Public Health, which is responsible for nursing home inspections, the state's long-term care ombudsman and the Department of Social Services' Protective Services for the Elderly program.

The public “dashboard” would be supported by \$500,000 in American Rescue Plan Act funds and maintained by the public health department.

“Improving the transparency of facilities' quality of care will allow consumers to have informed choices when selecting the nursing homes that best fit their needs, as well as help Connecticut rebalance by reducing the number of lower-quality homes over time,” officials noted.

Lamont has also proposed banning three- and four-person nursing home rooms to help curb the spread of infection and promote privacy. The plan would bar facilities from adding residents to rooms that already have two occupants beginning July 1, 2025, and would downsize all rooms with more than two occupants by July 1, 2026. More than a dozen nursing homes still feature rooms with three or four residents.

The governor recommended using \$250,000 in ARPA funds to develop a set of standards that would allow some nursing homes to be designated as “Centers for Excellence.” The designation would be awarded to facilities that demonstrate better care, and rankings would be developed with input from industry leaders, the long-term care ombudsman's office and other stakeholders. The program would be voluntary and is meant to incentivize higher quality care, officials said.

Lamont's bill would also require better disclosure of fee increases in assisted living centers and managed residential care communities. Facilities would have to reveal how frequently they increase fees and make them clear in their contracts with residents. The governor's proposal would also allow for a partial refund of fees if a facility's managers determine they can't meet a resident's needs during the person's first 45 days living there.

The bill would also help residents of a nursing home that is closing to get priority placement in other facilities and would eliminate the requirement that candidates who want to oversee struggling nursing homes must be licensed administrators in Connecticut.

In addition, the proposal includes several accountability measures. It:

Allows the public health department to deny a nursing home management certificate (or decline to renew one) based on past or current disciplinary actions

Gives the health department power to impose disciplinary action on nursing home management companies, including revocation of a certificate or imposition of civil penalties

Gives the health department power to enforce plans of correction against management companies

Requires management companies to get state approval before taking on new facilities beyond those identified at licensure or renewal (the health department may impose conditions on the approval)

Permits forensic audits of nursing home finances under certain circumstances

Advocates praised the proposal.

“I’m happy the governor is seeing aging as an important issue,” said Rep. Jane Garibay, D-Windsor, a co-chair of the legislature’s Aging Committee. “We’re supportive of the public dashboard — having one place to go and really look at nursing homes so people can make a choice and it’s easier. We’re on board with that. I think the governor highlighting aging and the [House] Speaker highlighting aging means they’re taking senior issues seriously.”

“The recent initiative to provide clear and easily accessible information on which homes deliver quality care is a testament to our administration’s commitment to transparency,” said Mairead Painter, the state’s long-term care ombudsman. “This effort empowers families and individuals in need of [long-term care services] to make choices that best suit their needs and preferences, ensuring they can remain in their communities and maintain the connections that matter most to them.”

Mag Morelli, president of LeadingAge Connecticut, which represents the state’s nonprofit nursing homes, said the industry is open to the proposals.

“We are happy to talk with them about where they might see the need for additional oversight,” she said.

“We would be very supportive of a Center for Excellence model, which would not only incentivize nursing homes but also recognize nursing homes that already are providing excellent models of care. On the dashboard issue, we hope they would work in collaboration with stakeholders too. We’re supportive of giving consumers the information they need.

“We’re happy to work with the state on how we address the three- and four-[person] rooms, and helping the nursing homes restructure their infrastructure if those beds are still in demand.”

Matthew Barrett, president and CEO of the Connecticut Association of Health Care Facilities, which represents 160 skilled nursing homes and assisted living centers, said he was ready to work with the governor and lawmakers.

“Connecticut nursing homes share and support the focus, attention and enhanced resources proposed to elevate quality as reflected in the governor’s recommended budget adjustments,” he said. “Our state has an exploding aging population on the horizon, and assuring there’s a rigorous supply of high-quality providers to be there when our older residents and their families need them most is essential.”

Ritter said legislative leaders will soon unveil their own bill addressing elder care reforms, though language has not yet been drafted.

“There’s no question that elder care will be a focus this session,” he said. “There’s a lot of interest in aging issues and improving care, so it will be a big topic, and hopefully we can combine all of the proposals and come up with a bipartisan plan.”

5 things we learned from Gov. Ned Lamont's proposed 2025 budget

Alex Putterman

Though the budget will undergo changes in the coming weeks as the governor negotiates with legislators over spending priorities, Lamont's initial proposal — as well as other lawmakers' reactions to it — offers a glimpse of what's to come.

Here is what we learned.

Changes only at the margins:

After passing a full biennial budget last year, the legislature's primary task this year is to make tweaks where necessary, based on new revenues, cost projections and new policy priorities.

So while Lamont's budget proposal includes a little more cash for certain programs and a little less for others, the changes come mostly at the margins. In total, this budget calls for a 3.4 percent increase in spending over what legislators passed last year, amounting to \$89.3 million.

That may sound like a lot, but in the context of a \$26 billion budget proposal, it's not too much at all.

As a result, Lamont spent much of his address Wednesday touting programs passed last year, including a significant tax cut for low- and middle-class residents and investments in housing construction. The governor's principle message: Connecticut is on the right track.

"Unlike our neighboring states which are losing population, Connecticut has gained population over the last few years," he said. "Today we have more people working, more people starting businesses, more people joining labor unions with better pay and better benefits, more of our graduates staying in Connecticut and more out-of-staters wanting to move here."

Early childhood programs a priority:

One of the few areas where Lamont found additional room to spend was in the area of early childhood education, a growing focus for lawmakers amid concerns Connecticut's system is overburdened.

In the budget he proposed Wednesday, the governor included \$20.1 million from the state's general fund to bolster child care subsidies for low- and moderate-income families and improve school readiness programming, plus an additional \$18.8 million in one-time federal funding for grants to help stabilize child care providers.

In total, new investments in early childhood initiatives came to \$43.3 million — not an enormous figure but nonetheless a significant investment at a time when Lamont has rejected most calls for additional spending.

The proposal comes after a blue-ribbon panel proposed a five-year plan expected to cost more than \$2 billion that would increase child care salaries while providing additional grants to providers and subsidies for families.

Some Democrats said Wednesday they'd like to see the state do even more in this area than what Lamont has proposed.

"I think we need to invest even more in early childhood education, both for pre K and daycare," said Senate Pro Tempore Martin Looney, D-New Haven. "Because we know the tragedy in the state is that there are far too many kids starting kindergarten who are not prepared to be there."

K-12, higher ed, non-profits unhappy:

Specifically, Lamont's budget calls for removing \$48 million in state funding for magnet school tuition, leaving the burden on the local districts to pay those costs. That money was part of \$150 million in additional funding for K-12 education passed as part of the biennial budget a year ago.

Top Democrats have already called the governor's proposal dead on arrival, arguing the state should stick by the commitments in last year's budget.

"That budget made the greatest investment in K-12, and that budget likely should remain as is," said Rep. Jeff Currey, D-East Hartford, who co-chairs the Education Committee.

Meanwhile, Lamont's budget includes no additional money for higher education, despite requests from both the University of Connecticut and the Connecticut State College and Universities system. It also

has far less money for nonprofit providers [than advocates wanted](#), amid cuts and staffing struggles at some agencies.

In all of these areas, the back-and-forth is largely the same: The Lamont Administration notes that state funding is at or near all-time highs, while advocates and officials in these areas say it's not enough to cover their needs, amid inflation and the expiration of federal pandemic-relief funds.

Expect these debates to continue throughout the session.

Confrontation coming over guardrails:

If you follow Connecticut news, prepare to hear the term "guardrails" a lot in the coming months.

In 2017, state lawmakers passed a series of caps meant to limit spending and promote long-term saving. Last year, they renewed the guardrails for five more years, arguing they'd worked as intended, and today the restrictions remain popular among Republicans.

Some Democratic lawmakers, however, have [begun to question aspects of the rules](#), which they describe as overly constraining. Adjusting the guardrails, they say, is the only way to fund key services.

"Republicans are saying we want to blow up the guardrails, and that's certainly not true," Looney said. "We recognize that they are necessary and a way of maintaining fiscal discipline, but they should not be a straitjacket."

Lamont, however, has steadfastly defended the guardrails.

"They're serving us very well, and we don't see any reason to mess with them or come up with gimmicks to get around them," Jeffrey Beckham, the governor's budget chief, told reporters Wednesday. "The governor is strongly in support of keeping the guardrails as they are."

Speaker of the House Matt Ritter, D-Hartford, said he hopes to find a middle ground.

"There are some people saying if you touch the guardrails \$1, the state will collapse. Well that's not accurate," Ritter said. "And there are some people who say that we need to get rid of the caps, they've done no good. Well that's not accurate."

Republicans are... largely satisfied:

You won't hear top Republican lawmakers lavishly praising a Democratic governor's budget proposal — but nor will you hear them quibbling too loudly with what Lamont presented Wednesday.

"I think his approach was correct," House Minority Leader Vincent Candelora, R-North Branford said after Lamont's address. "I think he's trying to adjust some spending priorities, and I don't disagree with that."

Republicans also praised Lamont for his commitment to the guardrails, which Senate Minority Leader Kevin Kelly, R-Stratford, called "music to my ears."

"I don't believe we should be tinkering with the guardrails because the guardrails have worked fabulously well," Kelly said. "They've resulted in balanced budgets, they've resulted in a rainy day fund, they've resulted in paying down debt."

That doesn't mean Republicans are entirely satisfied. Candelora criticized Lamont for allotting too much money to Medicaid, while Sen. Tony Hwang, R-Fairfield, criticized the increasing cost of labor agreements with state workers.

"It has always been a beginning point of the conversation," Hwang said of Lamont's proposal.

CT Mirror

What Lamont's budget proposal would mean for health care in CT

Keith M. Phaneuf

Oversight of hospitals, nursing homes and pharmaceutical companies topped [Gov. Ned Lamont's](#) list of health care priorities in his [spending plan for the fiscal year](#) that begins July 1.

But the governor also proposed shifting some residents from Medicaid plans to free coverage through Connecticut's health insurance exchange and adding funds for the long-term care ombudsman's office. Lamont's budget proposal would devote \$627,000 to create four new positions in the state's Office of Health Strategy. One would support "expanded" financial monitoring of hospitals, "to develop advanced warning of financial distress," and to strengthen Connecticut's certificate of need review process, officials wrote in the administration's plan.

"There have been quite a few news stories of late of hospitals facing financial difficulties that ultimately the state has to get involved in one way or another," Jeffrey Beckham, secretary of the state's Office of Policy and Management, said Wednesday. "We'd like to have a little more early warning as to when that's going to happen."

Three Connecticut hospitals — Manchester Memorial, Rockville General and Waterbury Hospital — were hit with a devastating cyberattack and owe tens of millions to vendors, physicians and the state for taxes. The data breach and financial woes also put in jeopardy the sale of those facilities, owned by Prospect Medical Holdings, to Yale New Haven Health. YNH has asked the state to contribute \$80 million to the deal.

Another two positions recommended for the Office of Health Strategy would explore best practices for prescription drug affordability, monitoring policies in other states and launching a prescription drug board to work with similar panels across the country. The new workers would also be responsible for initiating a review of how well health insurers prioritize affordability.

The last additional position at OHS would oversee performance improvement plans for health care providers that exceed the state's cost growth benchmarks. The benchmarks, put into executive order in 2020 and passed into law in 2022, require OHS to come up with annual targets for health care cost increases and mandate that providers, insurers and others report their yearly price increases to the state. The program is designed to expose the hospitals, medical practices and insurance companies whose costs soar beyond the state-imposed targets. Lamont has said the annual reporting mandate would put public pressure on those agencies and companies to keep costs down.

"Health care only makes a difference if it's accessible and affordable," the governor said in his State of the State speech Wednesday. "Deidre Gifford [OHS' director] is building off our health care benchmark to hold hospitals, insurance, and pharma accountable for those big price increases."

"The new positions proposed for the Office of Health Strategy reflect Gov. Lamont's ongoing commitment to increasing health care affordability and ensuring a high-quality, equitable and affordable hospital system," added Tina Kumar Hyde, a spokeswoman for OHS.

Medicaid reimbursement rates

The issue of Medicaid reimbursement rates garnered significant attention last year after leaders directed the Department of Social Services to conduct a two-step review of rates paid to providers that treat poor patients.

Lamont's proposal maintains the \$7 million he and lawmakers agreed upon last year to bolster rates for physician specialists, dentists and behavioral health providers. The administration is expected to provide data on rates paid to these groups early in this legislative session.

The second phase of the report, which is not expected to be completed until early 2025, will cover all other aspects of the Medicaid program.

Because of that timetable, Lamont recommended Wednesday that rate hikes already approved for ambulance and methadone maintenance providers be suspended so they can be resolved when the second phase of the study is addressed in the 2025 session. This would save the state \$5.4 million in the next budget, according to the administration.

Medicaid reimbursement rates establish how much providers get paid to treat qualified patients. In 2007, Connecticut set the Medicaid reimbursement rates for most physician services at 57.5% of the Medicare rate at the time.

The rates have not been broadly adjusted since, though certain providers, including primary care physicians and OBGYNs, have received rate increases.

Physicians say the low rates prevent them from accepting as many Medicaid patients as they would like. Hospitals and community health centers, which must accept patients regardless of ability to pay, say they're losing money.

"We've been consistent in our call that the chronic underfunding of Medicaid reimbursement payments to providers is harmful to Medicaid patient access but also puts enormous pressure on commercial insurance payments, and we think now is the time to address that underpayment's role in health care affordability," said Paul Kidwell, senior vice president of policy at the Connecticut Hospital Association.

Hospitals were paid 62 cents on the dollar for treating Medicaid patients in the 2022 fiscal year, according to a report published by the Office of Health Strategy. Community health centers across the state were underpaid by \$65 million for medical services provided to patients with Medicaid coverage, said Jennifer Granger, president and CEO of United Community and Family Services in Norwich.

"When the state agrees to participate in the Medicaid program, it's responsible for the Medicaid members that are enrolled and to provide them with the highest quality care possible and appropriate access to services. By not paying the network of providers adequately, they're shifting the cost to nonprofit community health centers to bear the burden, and it's not sustainable. We cannot continue to function in this environment," said Granger.

"We're well aware that the rates need to be updated, and we have a plan to do that next year," Beckham said last June.

On Wednesday morning, Beckham said officials are waiting to see the results of the rate reimbursement study before deciding where to prioritize rate increases.

"We probably want to address the ones that are in some acute areas that are low rates, but we want to see what the whole system looks like before we propose those," said Beckham. "We fully expect we'll have to do something in the biennium on the others. I'm not saying we're going to do all of what the gap is, but we will try to address as much of it as we can."

Medicaid is one of the largest and fastest-growing components of the state budget, and the administration used its proposal Wednesday to remind legislators.

Medicaid represents nearly \$3.4 billion out of this fiscal year's \$25.1 billion total state budget. But that's not even close to all the Medicaid dollars Connecticut will spend this year.

Because Medicaid is a federal program run cooperatively with states, Connecticut will receive another \$4.9 billion in matching grants from Washington that, although outside the state budget, also will be spent on Medicaid-affiliated programs here.

The governor's staff projects the state's share of Medicaid costs will rise by another \$21 million next fiscal year, at which point it will be \$780 million greater or 30% beyond what it was when Lamont first took office in 2019.

But Rep. Jillian Gilchrest, D-West Hartford, co-chair of the Human Services Committee, hoped to see Lamont propose a greater health care investment.

"I'm disappointed," she said. "Even without the study, we know there's a need to increase rates. At this point, the rates are so low that providers cannot offer health care to Medicaid recipients."

But, Gilcrest said, she still believes the legislature will make gains on the rates, even though the governor's proposal does not include an increase.

"Now it's our turn," she said. "I think there is a high likelihood for increased investment in Medicaid rates because I hear about it a lot from my colleagues. It truly impacts providers across the state."

The governor's proposal also maintains two nursing home-related Medicaid items from the preliminary state budget he and legislators approved last June for the 2024-25 fiscal year.

The state would continue to adjust rates to reflect the greater medical needs typically found among nursing home residents. This would cost Connecticut an extra \$33 million next fiscal year.

HUSKY eligibility

The governor's proposed budget also would decrease the eligibility threshold for the state's Medicaid HUSKY A program from 160% of the federal poverty level, or FPL, to 138%. This would affect most adults but not pregnant women or children. The measure would save the state \$2.1 million in 2024-25 and \$33 million on an annualized basis afterward.

Connecticut is the only state providing Medicaid coverage to parents and relative caregivers with incomes over 138% of FPL. Beckham said people who no longer qualify for Medicaid would still be eligible for a zero-premium, no cost-share coverage plan under Covered CT, through the state's health insurance exchange.

"It's a blend of federal subsidies that allows the state to have substantial savings over what we would have to pay in HUSKY A, the state's share under Medicaid," said Beckham. "We recommend that we move those parents and relative caregivers over to Covered CT. They would not lose coverage. They would simply be on the exchange."

Prospect Medical Holdings' taxes

The governor's proposal also assumes that a problem in recent years with state health provider tax collections won't happen again in the next budget.

Lamont's plan projects \$957 million from the provider tax, the same amount originally estimated for this year. But Prospect Medical Holdings, the California parent company for hospitals in Waterbury, Manchester and Vernon, neglected to pay \$67 million in taxes, the CT Mirror reported last month. According to liens filed by the Department of Revenue Services, the company hasn't paid taxes dating back to March 2022.

When asked why the administration didn't adjust its revenue projections given Prospect's recent history, Beckham deflected.

"That matter is being — what's the word — dealt with currently," said Beckham. "Can't say too much more about it."

Ombudsman's Office

Lamont has recommended spending \$90,000 to add a community ombudsman position to the long-term care ombudsman's office.

In 2022, lawmakers signed off on a state budget that funded one position to begin expanding that office into the home care sector. Until recently, only nursing home and assisted living center residents had access to the ombudsman's services. The state that year approved a manager to help design and oversee a program for the home care sector. But no money was set aside to hire workers who could field complaints.

Last year, one additional position was authorized to help home care residents. Mairead Painter, the long-term care ombudsman, said she would start the home care program by extending services to people on the state's waiver programs, such as those who participate in the Money Follows the Person initiative or the Connecticut Home Care Program for Elders. But she hoped to expand. Tens of thousands of people in Connecticut use home care services.

In her legislative agenda, Painter asked for funding for several additional positions this year, including a supervisor to oversee regional nursing home ombudsmen, another seven regional ombudsmen for nursing facilities, 11 more regional community ombudsmen to serve the home care population, and two intake coordinators.

Legislators said they plan to include funding for at least two additional ombudsman positions this year beyond what Lamont has proposed.

This session's priorities will "go toward keeping seniors safe, and that includes backing the ombudsman's office with the support they need," Rep. Jane Garibay, D-Windsor, a co-chair of the Aging Committee, told the CT Mirror. "We put a number of laws in place, but we also need to give them the tools to enforce them."

Lamont, CT Legislature Appear Headed for a Showdown over Education

[Keith M. Phaneuf](#), [Jessika Harkay](#) and [Mark Pazniokas](#)

Gov. Ned Lamont and his fellow Democrats in the legislature's majority appear headed for a battle over education in the next state budget.

The [\\$26.1 billion plan](#) the governor proposed Wednesday for the upcoming fiscal year trims funding for public colleges and universities. And while a major initiative to expand K-12 funding remains, Lamont wants to scale it back and use some of those resources to boost child care.

"That budget makes our state's largest ever commitment to child care, K-12 education, [and] our universities," Lamont said in his budget address to the General Assembly.

But while the state's base funding to higher education institutions has gone up, their overall budgets will go down when the loss of funding streams like pandemic-era funding is taken into account.

[\[RELATED: Lamont's plan keeps CT budget within guardrails, pays down \\$500M in debt\]](#)

The Board of Regents for Higher Education, which oversees community colleges, four regional state universities, and the online Charter Oak State College, would see its base funding grow from \$423 million this fiscal year to \$440 million in 2024-25.

But the governor and legislature have been propping up public colleges and universities with hundreds of millions of dollars from temporary sources — state budget surpluses and federal coronavirus pandemic relief — since 2020. And now that aid is shrinking.

Overall aid for the regents' system would drop from \$647.5 million this year to \$516 million next year.

Similarly, aid from all sources for the University of Connecticut's main campus in Storrs and for its satellite campuses is slated to drop from \$299 million this year to \$251 million next year. And at its Farmington-based health center, overall aid shrinks from \$198 million to \$157 million.

The governor did recommend about \$90 million in state borrowing — which is outside of the regular budget — to support capital projects and research faculty recruitment at UConn.

The administration says higher education systems should have been preparing to live without the temporary money. Those systems, and many legislators, counter that all state officials knew these funds were needed for ongoing expenses, including large pay raises the governor negotiated with state employee unions. The governor and unions negotiated general wage and step increases two years ago that boosted most workers' pay by about 4.5% annually.

[\[RELATED: CT higher education faces big cuts as pandemic funds disappear\]](#)

The regents [recently ordered buyouts](#) for senior faculty and other cost-cutting measures to close the shortfall — and may shrink course offerings — but still asked Lamont and lawmakers for an extra \$47.7 million next fiscal year.

Education advocates are concerned because community college tuition next fall will be up 11% from two years ago, while tuition and fees at regional universities will be up 7% from 2022.

The University of Connecticut Board of Trustees voted last December to boost housing and dining fees 2.75% next fall.

Former House Speaker Richard J. Balducci, who chairs the regents' Finance & Infrastructure Committee, said he remains hopeful the governor and legislature are open to discussing more assistance. "I know that the governor understands where we are and what we're trying to do, ... trying to help the students most in need," he said.

The governor has said state budget controls, commonly called "fiscal guardrails," must be followed to ensure Connecticut can continue achieving budget surpluses and using them to reduce massive pension, retiree health care and bonded debt that exceeds \$80 billion.

But faculty unions and others argue the lean spending is indefensible given the state's prosperity and that Connecticut can invest more and still achieve surpluses and reduce debt.

"When Gov. Lamont spoke today about the [regional universities and community colleges,] he said you can 'see the opportunity.' But what our students are seeing is ... their friends maxing out credit cards or

dropping out of school due to tuition hikes,” said Louise Williams, president of the CSU-AAUP union and a professor at Central Connecticut State University. “They see libraries shortening their hours and reducing staff by half in a span of five years. They see adjunct faculty living on food stamps. They see mental health counselors with no availability for weeks or months. And they see so few course offerings that they can’t graduate on time.”

Connecticut State Colleges & Universities Chancellor Terrence Cheng said the system will spend every day from now until midnight on May 8 — the last day of the session — working with the governor’s office, lawmakers and other stakeholders to receive “the funding it needs to continue to foster the next generation of teachers, nurses, manufacturers, and corporate leaders.”

Sen. Derek Slap, D-West Hartford, who co-chairs the legislature’s Higher Education and Employment Advancement Committee, also said the funding debate in this area is far from over.

“I think there’s no question that the need is real, and we want to make sure that we don’t undermine the quality of higher education in the state in terms of public institutions,” Slap said, of the problems facing community college and regional universities. Of the regents’ \$47.7 million ask, Slap said, “It’s not that much money that we’re talking about that would really be a life preserver for higher ed.”

Slap added that UConn also faces challenges despite record-high enrollment, and that he worries about turning away in-state students for those coming from out of state, who often pay more in tuition and fees. “I’m advocating for some flexibility and having a conversation about what that right balance [for funding] is,” he added.

K-12 funding

K-12 would benefit under Lamont’s plan, but not as much as some hoped.

Lawmakers included \$150 million for K-12 education financing reforms in the preliminary \$26 billion budget adopted last June for the 2024-25 fiscal year. Lamont wants to scale that down to \$111 million by trimming increases for magnet, charter and vocational-agriculture and science schools — and then re-direct some of the funds to help accelerate growth in child care funding.

Legislators are already bumping heads with the governor regarding funding for primary and secondary education.

Rep. Jeff Currey, D-East Hartford, who is co-chair of the Education Committee, and the governor’s top policy aide, Matt Brokman, had an animated conversation in the House chamber after Lamont’s speech about what Currey sees as an abrogation of the deal adding \$150 million in education funding in the second year of the biennial budget.

Jeffrey Beckham, secretary of the Office of Policy and Management, said during the budget briefing that the administration’s only commitment in the final budget talks last spring was to add the provision to the second year of the budget — but not leave it untouched in this year’s budget revisions.

The deal had been struck by Currey with others in the administration, including Jonathan Dach, the governor’s chief of staff, and not Beckham.

“I remind Jonny of his conversation with me a couple of months back in which he jokingly says we keep reminding Jeff to keep his hands off your money because we agreed to that,” Currey said, interrupting his conversation with Brokman to take a reporter’s question.

Currey said he has been telling school boards they could rely on the state to pay the tuition costs, as outlined in a budget implementer bill.

“In the 2nd Senatorial District alone, the hit is \$11 million,” Currey said.

The 2nd District is represented by Sen. Douglas McCrory, D-Hartford, his co-chair on the Education Committee.

Stakeholders across the state continue to argue that the public education system needs continued investment, especially as districts across the country face fiscal cliffs with the expiration of federal COVID-19 funding in September.

“With this proposal, Gov. Lamont is neglecting the promises and commitments made to schools last year,” said Daniel Pearson, the executive director of Educators for Excellence-Connecticut. “At a time when the [Elementary and Secondary School Emergency Relief Funds] are running out and the teaching shortage is at an all-time high, taking a victory lap for himself and his own budget is a disgrace. ... Our

districts and boards of education are already creating budgets with the commitment of money, and to say it isn't going to happen is outrageous.”

“These proposed cuts will have negative consequences for students’ academic achievement and emotional growth at a time when their needs are greater than ever. The impacts will be felt everywhere, but especially in our most vulnerable communities,” said Kate Dias, president of the Connecticut Education Association, the state’s largest teachers union.

Lisa Hammersley, the executive director of the School and State Finance Project, a Hartford-based education policy think tank, added that Lamont is “exacerbating inequities in our state.”

The governor is “turning his back on the needs of students, families, and educators throughout the state, all while placing greater burdens on local taxpayers and town budgets,” she said.

And though the governor’s budget proposes rerouted funds from K-12 into early child care, some advocates say it’s still not enough.

“It’s commendable that Gov. Lamont has included early childhood education as an important tenant of his adjusted budget, but looking at the larger picture, it moves the sector backwards and runs the risk of being lip service,” said Garth Harries, president and CEO of The Connecticut Project Action Fund, an organization that advocates for policy change. “Every budget is a choice, and the question with our surpluses right now is whether the governor will choose to pinch pennies when it comes to kids, or whether he will prioritize giving kids the right start in the earliest years of their lives. We urge the governor and legislature to invest in our future by investing in kids now, with at least \$50 million to help families afford ... high quality child care.”

The governor’s budget also continues universal school meals afloat for another academic year.

Lamont proposes broad bill to address elder care reform in CT

Jenna Carlesso, Dave Altimari

Citing the state's ballooning older adult population and lapses in care at several Connecticut nursing homes, Gov. Ned Lamont released a wide-ranging bill Wednesday that proposes reforms across the elder care sector, from measures designed to increase transparency in nursing home operations to consumer protections for people in assisted living centers.

The proposal by Lamont marks the first time the governor has introduced a comprehensive bill on elder care. But House Speaker Matthew Ritter, D-Hartford, said he and other legislative leaders are also preparing a broad measure targeting aging services.

The Connecticut Mirror has reported extensively on [gaps in the state's elder care system](#) — both in nursing homes and home care — and highlighted worsening conditions in many nursing facilities. Serious violations known as immediate jeopardy orders [were on the rise](#) in 2023, a major nursing home chain faced [a number of lawsuits](#), and the chief executive officer of that company [acknowledged](#) he was six months behind in paying health claims for employees.

“Older adults deserve dignity, and family caregivers should have peace of mind that their loved ones are receiving good care across the long-term care continuum,” Lamont said in a statement. “Our proposal provides a comprehensive strategy that moves beyond a system of minimum standards and penalties to one that rewards high quality, aligns the industry around person-centered care, and promotes transparency.

“The COVID pandemic resulted in some of the most acute care issues in nursing homes and congregate care settings, that's why we are focusing on strengthening industry standards.”

Under [the governor's bill](#), the state would create a website where people could compare nursing homes' quality ratings, track complaints and find information about recent safety violations and staffing levels. Multiple agencies could feed information to the site, including the Department of Public Health, which is responsible for nursing home inspections, the state's long-term care ombudsman and the Department of Social Services' Protective Services for the Elderly program.

The public “dashboard” would be supported by \$500,000 in American Rescue Plan Act funds and maintained by the public health department.

“Improving the transparency of facilities' quality of care will allow consumers to have informed choices when selecting the nursing homes that best fit their needs, as well as help Connecticut rebalance by reducing the number of lower-quality homes over time,” officials noted.

Lamont has also proposed banning three- and four-person nursing home rooms to help curb the spread of infection and promote privacy. The plan would bar facilities from adding residents to rooms that already have two occupants beginning July 1, 2025, and would downsize all rooms with more than two occupants by July 1, 2026. More than a dozen nursing homes still feature rooms with three or four residents.

The governor recommended using \$250,000 in ARPA funds to develop a set of standards that would allow some nursing homes to be designated as “Centers for Excellence.” The designation would be awarded to facilities that demonstrate better care, and rankings would be developed with input from industry leaders, the long-term care ombudsman's office and other stakeholders. The program would be voluntary and is meant to incentivize higher quality care, officials said.

Lamont's bill would also require better disclosure of fee increases in assisted living centers and managed residential care communities. Facilities would have to reveal how frequently they increase fees and make them clear in their contracts with residents. The governor's proposal would also allow for a partial refund of fees if a facility's managers determine they can't meet a resident's needs during the person's first 45 days living there.

The bill would also help residents of a nursing home that is closing to get priority placement in other facilities and would eliminate the requirement that candidates who want to oversee struggling nursing homes must be licensed administrators in Connecticut.

In addition, the proposal includes several accountability measures. It:

Allows the public health department to deny a nursing home management certificate (or decline to renew one) based on past or current disciplinary actions

Gives the health department power to impose disciplinary action on nursing home management companies, including revocation of a certificate or imposition of civil penalties

Gives the health department power to enforce plans of correction against management companies

Requires management companies to get state approval before taking on new facilities beyond those identified at licensure or renewal (the health department may impose conditions on the approval)

Permits forensic audits of nursing home finances under certain circumstances

Advocates praised the proposal.

“I’m happy the governor is seeing aging as an important issue,” said Rep. Jane Garibay, D-Windsor, a co-chair of the legislature’s Aging Committee. “We’re supportive of the public dashboard — having one place to go and really look at nursing homes so people can make a choice and it’s easier. We’re on board with that. I think the governor highlighting aging and the [House] Speaker highlighting aging means they’re taking senior issues seriously.”

“The recent initiative to provide clear and easily accessible information on which homes deliver quality care is a testament to our administration’s commitment to transparency,” said Mairead Painter, the state’s long-term care ombudsman. “This effort empowers families and individuals in need of [long-term care services] to make choices that best suit their needs and preferences, ensuring they can remain in their communities and maintain the connections that matter most to them.”

Mag Morelli, president of LeadingAge Connecticut, which represents the state’s nonprofit nursing homes, said the industry is open to the proposals.

“We are happy to talk with them about where they might see the need for additional oversight,” she said.

“We would be very supportive of a Center for Excellence model, which would not only incentivize nursing homes but also recognize nursing homes that already are providing excellent models of care. On the dashboard issue, we hope they would work in collaboration with stakeholders too. We’re supportive of giving consumers the information they need.

“We’re happy to work with the state on how we address the three- and four-[person] rooms, and helping the nursing homes restructure their infrastructure if those beds are still in demand.”

Matthew Barrett, president and CEO of the Connecticut Association of Health Care Facilities, which represents 160 skilled nursing homes and assisted living centers, said he was ready to work with the governor and lawmakers.

“Connecticut nursing homes share and support the focus, attention and enhanced resources proposed to elevate quality as reflected in the governor’s recommended budget adjustments,” he said. “Our state has an exploding aging population on the horizon, and assuring there’s a rigorous supply of high-quality providers to be there when our older residents and their families need them most is essential.”

Ritter said legislative leaders will soon unveil their own bill addressing elder care reforms, though language has not yet been drafted.

“There’s no question that elder care will be a focus this session,” he said. “There’s a lot of interest in aging issues and improving care, so it will be a big topic, and hopefully we can combine all of the proposals and come up with a bipartisan plan.”

Lamont's CT budget plan falls short of social service providers' requests

Ginny Monk, Jaden Edison, Keith M. Phaneuf, Luke Feeney

Gov. Ned Lamont's proposed budget for the upcoming fiscal year invests in early childhood development, mental health care, outreach to the homeless and prison staffing. But the plan falls far short of what social service advocates say is necessary to reverse years of financial neglect.

As service providers and advocates pressed for weeks for more funding, administration officials warned the next budget would be lean, but efforts would be made to bolster core programs.

"We have some additional targeted investments to strengthen the safety net," Office of Policy and Management Secretary Jeffrey Beckham, Lamont's budget director, said Wednesday.

"Our budget is doing more. How can we do a better job directing our resources to make a difference in people's lives, turning hopelessness into hope, hardship into opportunity?" Lamont said during his afternoon State of the State address.

But social service advocates say state budget controls have become increasingly restrictive, even though surpluses have achieved record highs in recent years.

Legislators adopted a revised, more stringent spending cap in 2017, and complemented it with a new borrowing cap and two other savings programs. They're commonly referred to as the state's "fiscal guardrails," and they've played an important role in accumulating billions of dollars in surpluses that have reduced state debt. Lamont, who took office in 2019, has become one of the most vocal supporters of this system.

"We're grateful that the Governor's budget recognizes the importance of quality child care, affordable housing, and public education," said Emily Byrne, executive director of Connecticut Voices for Children. "However, we can't forget that the state increases pale in comparison to what families are facing now, which is the largest three-year cost of living increase since the 1980s."

The budget also didn't include the \$20 million that homeless service providers have asked for or for a new child tax credit within the state income tax system. [Connecticut Voices has estimated](#) that a tax credit worth \$500 to \$600 per child would help more than 80,000 children living in poverty while costing the state roughly \$300 million per year.

"As Connecticut families continue to struggle to meet their basic needs, a CT Child Tax Credit would provide immediate and flexible dollars," Byrne said. "What's more, this increased financial support for low- and middle-income families with children will then help grow Connecticut's economy."

Childcare:

The budget proposal includes an additional \$43.3 million from the state's general fund and American Rescue Plan Act dollars for child care.

Research shows that the child care industry has continued to decline in Connecticut, leaving [fewer slots available for young children](#). Quality early child care has been tied to better educational outcomes and brain development.

Child care in the United States is one of many families' top expenses. The cost can mean that parents — disproportionately mothers — stay home to take care of children and aren't able to participate in the labor market.

"Our budget provides the biggest commitment to child care in our history," Lamont said. Some of the investments, he added, come from recommendations from his [Blue Ribbon Panel on Childcare](#).

The cost to develop the five-year plan from the Blue Ribbon Panel is about \$2 billion.

The governor's plan includes an additional \$12.9 million for Care4Kids, a state-funded program that helps families with low incomes pay for child care. Lamont also proposed allowing more families to participate by increasing income eligibility from 60% of the state's median income to 65%.

It also proposes a little over \$1 million to continue funding for the Smart Start pre-K program that was initially paid for with COVID relief money and establishing Sparkler, a mobile developmental screening tool for parents of children birth to three, among other program funding.

Lamont has also proposed eliminating fees for licensed child care homes to make it easier for Connecticut residents to offer child care.

Mental health

Lamont also proposed adding \$8.8 million to bolster the state's mental health care system for kids. The pandemic highlighted many issues in the system, and kids and parents have reported heightened mental health issues and struggles accessing care since COVID-19.

In response, the state legislature passed sweeping bills focused on children's mental health in 2021. This included the formation of [four urgent crisis centers across the state](#). They offer care for kids in crisis and aim to help keep them out of the hospital.

Lamont's proposed budget would give an additional \$8.3 million to the crisis centers, including some ARPA money. The centers were originally funded with ARPA money and advocates worried that the project wouldn't be sustainable.

"The additional year of ARPA funding for DCF will provide the time necessary to address permanent sustainability for these critical new services," the governor's budget says.

Homelessness

Lamont's budget proposal includes \$2.9 million to the Department of Mental Health and Addiction Services to address chronic homelessness for people with mental illness or addictions.

It also would add \$1.2 million and 12 positions to conduct outreach to people living outside or in places not meant for human habitation. Other supports include 15 new housing vouchers to help adults with autism cover their rent expenses and \$400,000 to help people apply for disability.

"One warning sign: we have too many people who cannot find a place to live — it is not available, or it is not affordable," Lamont said. "Our biennial budget doubles our investment in housing — workforce housing, affordable housing, supportive housing, elder housing and downtown apartments."

It's a far cry from the [\\$20 million providers requested](#) to raise salaries for staff and annualize cold weather funding, among other funding needs. Earlier this week, advocates gathered with more than a dozen lawmakers from both parties to call for \$20 million to homelessness services.

"They obviously want more than that," Beckham said. "If the General Assembly has a different view on that and has a different number, we'll obviously have to talk to them about that in April."

The number of people experiencing homelessness has been on the rise in Connecticut for the past couple of years. More people are living outside, and people are staying in shelters longer. This has put strain on Connecticut's homeless response system, providers say.

Planning and Development Committee co-chair Rep. Eleni Kavros DeGraw, D-Avon, plans to introduce a bill to add \$20 million to the response system, she said.

"I think it's important that we focus on the fact that we have a crisis at hand, and we need to address it sooner than later," Kavros DeGraw said.

Last session, the legislature approved a bonding package that included nearly a billion dollars for housing-related projects.

The budget proposal includes \$2 million more in ARPA money to the state's right to counsel program, which offers free legal aid to people facing eviction. Eviction can have wide-ranging effects on families' physical and mental health, finances, access to education, and access to transportation, among other outcomes.

The program was initially funded with \$20 million in COVID relief money and was expected to [run out this year](#).

ARPA money needs to be spent by the end of the year or returned to the federal government, Beckham said. Lamont's administration is proposing a method of giving unspent money to the Office of Policy and Management to spend money more quickly at the end of the year.

He said some of that might be used on housing, homelessness and other services.

Prisons:

The governor allocated \$2.5 million to the Department of Correction for increased staffing to address growing assaults on officers and incarcerated people.

In recent months, advocates, people in prison and correctional officers have [expressed frustrations](#) about inadequate training for officers interacting with prisoners and a lack of rehabilitation programming for incarcerated people, though Lamont’s budget does not appear to directly address their concerns. The budget also lacks additional funding for the Office of the Correction Ombuds, which will serve as the independent overseer of the Department of Correction in the Office of Governmental Accountability.

The Correction Advisory Committee, the panel helping choose the ombudsperson, had [raised concerns](#) that the funding allocated (\$800,000 over FY24 and FY25) wasn’t sufficient to provide the ombudsperson, whose appointment is expected in the coming days, with the staffing and resources needed.

Lamont did propose an additional \$5 million for “renovations and improvements” to Manson Youth Institution in Cheshire. During a budget presentation, Beckham said the money was intended to address problems with residential cottages at the facility. Though Rep. Toni Walker, the chair of the Juvenile Justice Policy and Oversight Committee, told the CT Mirror that the funds could be used differently. For instance, there are ongoing conversations about [a \\$67 million proposal](#) from the Judicial Branch to renovate and reopen the site formerly known as the Connecticut Juvenile Training School, a heavily scrutinized prison-like facility for children. The proposal estimated that studies of the renovation could last roughly 18 to 24 months and cost up to \$1 million.

Beckham said the proposal is “something we’re talking about right now.”

Nonprofits:

The hundreds of community-based nonprofits that deliver the bulk of state-sponsored social services did not get the \$186 million increase they asked for in the governor’s budget.

The CT Community Nonprofit Alliance estimates that the industry loses about \$480 million annually because state payments haven’t fully kept pace with inflation since 2007.

Gian-Carl Casa, president and CEO of the alliance, and other nonprofit leaders asked the governor and legislators in late January to consider closing nearly 40% of the problem in the next budget.

Connecticut already spends roughly \$2.1 billion hiring nonprofits to treat people with disabilities, mental health or substance abuse issues, and to help incarcerated individuals transition back into the community. Funding has increased by about 13.5% over the past five years.

But nonprofits say much of that funding either was restricted to agencies serving clients with intellectual disabilities, had to be used only to improve wages and benefits for workers, or both.

“It’s disappointing that community nonprofits who provide vital services to some of the most vulnerable citizens are not getting a funding increase they desperately need in the governor’s budget proposal,” Casa said. “After nearly two decades of underfunding that have left nonprofit buying power 32% behind, the proposed flat funding in the governor’s budget is an effective budget cut.”

According to a [survey](#) conducted by the alliance, 55% of nonprofits statewide say they maintain a waiting list for services. They have called for [increased investments](#) in existing disability services statewide as well as a reduction of the existing waiting list.

“We have the money. The people employed by nonprofits, the people served by nonprofits and the families of both deserve to have their work and needs recognized in this budget,” Casa added.

Nonprofit leaders say limited growth in state funds already has forced many agencies to cap or reduce program slots as they struggle with annual employee turnover rates approaching 20%.

Casa, like advocates for education and for health care programs, says state government can afford both to better fund core services and still achieve healthy budget surpluses that can be used to pay down long-term debt.

With [more than \\$80 billion](#) in unfunded pension and retiree health care benefits and bonded debt combined, Connecticut is one of the most indebted states, on a per capita basis, in the nation.

“We understand the importance of saving and paying off debt,” Casa said. “But the choice between properly funding programs and paying debt is a false one. A family that finds its finances have improved would not put off putting food on the table to pay debt. They would do both.”

Lamont Presents Adjustments to Two-Year Budget Amid Fiscal Constraints

Christine Stuart

Gov. Ned Lamont gives his state-of-the-state address on Wednesday, Jan. 4, 2023. Credit: Christine Stuart / CTNewsJunkie

Gov. Ned Lamont unveils his adjustments to the two-year budget today and while the state of Connecticut is in the black by hundreds of millions of dollars, there is not much spending they will be able to do beyond what was already allocated.

Sen. Cathy Osten, who co-chairs the Appropriations Committee, and received a briefing of the governor's budget Tuesday said they will be looking at it and recommending changes.

She declined to offer many specifics, but said there are no surprises from what has already been announced.

Initial confusion arises from the surplus forecasted in the preliminary budget for June 2025, expected to reach approximately \$750 million before a \$59 million boost in revenue projections. Despite this apparent surplus, the next budget faces challenges, exceeding the spending cap by \$30 million and lacking a required built-in surplus.

Democratic leaders aim to secure flexibility for an additional \$200 million to \$300 million in spending to address critical needs, yet consensus remains elusive.

Meanwhile, a plethora of funding requests, totaling around \$600 million, spans various essential services. From [higher education](#), grappling with a \$140 million deficit, to nonprofit social services agencies seeking to bridge a \$480 million inflation-induced gap, the demands are multifaceted.

Osten said she met with individual [nonprofit providers](#) Tuesday morning and they are all very worried about continuing existing services.

However, when any constituent group asks the state to spend beyond what has already been allocated the answer has to be "no," Osten said.

"What they are looking for us to do is comprehensive change and most of that change is going to have to come from the executive branch," Osten said.

She said it's not hard to explain the limits on the budget because of the 2017 fiscal guardrails, but "it's hard for people to accept."

Anticipating pressure from rank-and-file lawmakers, attention turns to Medicaid rate increases and childcare services. Lamont proposed doubling childcare funding by [\\$50 million](#), drawing from reserves designated for magnet and charter schools. However, Medicaid rate changes will have to wait another year.

She said many of these problems are "multi-year problems."

Rep. Holly Cheeseman, R-East Lyme, said she didn't see that Lamont used any "gimmicks" to get around the [guardrails](#) in the budget, which is appreciated.

She said it doesn't make many changes to the revenue side, but moves around some spending and most of what was used to pay for the increase in spending was an adjustment to the current budget.

"I think in terms of cuts there were areas and where money had been allocated was not actually needed," Cheeseman said.

She said the budget still uses some of the COVID money, but her understanding is that it will need to be funded by the general fund going forward.

"That's going to be a problem for another legislature, another day," Cheeseman said.

She said the priorities in the budget are what the governor has maintained they are: "providing opportunities for Connecticut residents to work and live here affordably."

The governor will address a joint session of the legislature at noon today.

Motor Vehicle Tax Task Force Completes Report Without Reaching Consensus

Hudson Kamphausen

HARTFORD, CT – The Motor Vehicle Tax Task Force held its seventh and final meeting Tuesday and released its report for the Planning and Development Committee to consider in deciding whether to pursue a repeal of the locally assessed motor vehicle tax.

The report, which contains two policy options, addresses the means of recuperating lost revenue upon the repeal of the current tax. A repeal of the tax would cost municipalities in the state a combined \$1.179 billion.

Under the first policy option in the report, the motor vehicle property tax would be repealed, and towns would be free to assess property at a rate of their choosing. At the moment, all municipalities are required to assess property at 70% of its value. It is stated in the report that the collective task force recommends, to the state, that it caps the rate at which property can be assessed to an as-yet undetermined figure.

Under the second policy option, the tax would be repealed only on non-commercial property. This option, in theory, would allow municipalities to maintain some of the revenue from the current tax, without having to impose other taxes. According to the report, this option could retain approximately \$193 million.

While task force chairman Sen. MD Rahman endorsed the report and repealing the motor vehicle tax in statement released following Tuesday's meeting, there was no consensus within the group and no vote was taken on Tuesday to ascertain where all 23 members stood on the issue.

Task force member Mark Boughton – the Republican former mayor of Danbury now serving as commissioner of the Department of Revenue Services – said he did not endorse the report, and added that discussions about possible policy changes, and their economic impacts, need to continue. Boughton said that he wants to see more study of the impacts of a tax repeal, and of different revenue recuperation policies on individual towns in the state.

“This idea is just an idea, that doesn't necessarily mean it's a bad idea or a good idea,” Boughton said. “But we just don't even know what the unintended consequences of something like this would be.”

The proposals are accompanied by several different “five-year scenarios” which present different ways in which municipalities could make up for the loss of the motor vehicle tax. These contain different possibilities such as a rise in personal property and real estate tax, and state income tax accompanied by other state funds.

In one of these scenarios, the motor vehicle tax could be phased out, with personal property tax and real estate property tax climbing to 14.5% and 11% respectively by fiscal year 2028.

Rahman, a Democrat from Manchester, said that the current tax is “regressive and unfair,” and that he supported the policy proposals in the report. “Eliminating the motor vehicle property tax puts Connecticut towns and cities on a path toward a simpler, more equitable tax code,” he said in a statement Tuesday.

Several members referenced the fact that Connecticut taxpayers, on average, pay the third highest property taxes in the country.

Rep. Susan Johnson, D-Windham, said one of the main reasons for the high property taxes in the state's municipalities is that the state government has not done a good enough job providing funding to for schools and other local needs.

While there were no concrete decisions or conclusions made by the task force during the course of its meetings, some members felt it was important for the conversation surrounding tax reform, and accounting for lost revenue at the local level, to continue after the report is issued to the P&D committee.

Middletown Mayor Ben Florsheim said it was important for there to be a continued look at a comprehensive tax reform in the state.

“It is impossible to equitably change the car property tax without creating real challenges for revenue collection in other ways,” Florsheim said.

Matt Hart, Executive Director of the Capitol Region Council of Governments, shared a similar concern regarding the elimination of tax.

“All of this is putting more pressure on fixed-income and low-income taxpayers, in a time when we are attempting to increase homeownership,” Hart said.

Waterbury Republican

Governor's budget plan sets up a clash over education funding

Paul Hughes

HARTFORD – Gov. Ned Lamont proposed budget changes Wednesday that set up a clash over additional education funding that Democratic and Republican legislators approved last year. Lamont recommended eliminating a tuition cap for school districts sending students to regional magnet schools to free up \$48 million for paying for other budget initiatives. He also proposed to repurpose another \$12 million for the school choice and vocational-agriculture education programs. The \$60 million was part of an additional \$150 million in local education funding that legislative and administration negotiators agreed to include in the bipartisan two-year, \$51.1 billion state budget that was adopted last session. That deal also included \$68 million for the Education Cost Sharing program and \$82 million for magnet schools, charter schools and school choice and vocational agricultural programs.

“We made those promises in good faith. The budget passed. It wasn’t a party-line type of vote. The governor signed that, and I think we need to hold true to what we made commitments to,” said Sen. Eric C. Berthel, R-Watertown, the ranking Senate member of the Appropriations and Education committees. Rep. Jeff Currey, D-East Hartford, the House chairman of the Education Committee, said Lamont made a deal, and legislators intend to hold him to it.

“Our intentions were very clear,” he said.

The Education Committee laid down a marker on Monday voting to draft a bill spelling out in greater detail how the additional \$150 million in education aid will be distributed.

Rep. Ron Napoli Jr., D-73rd District, an Education Committee member, said the funding commitments made last year must be honored. He said his city of Waterbury is getting a much needed \$20 million boost in its ECS grant.

“Waterbury has been vastly underfunded for some time. What we did last session was really help bring Waterbury up to a level of funding where it should be,” said Napoli, a Waterbury public school teacher. Lamont agreed to the funding as concession to the legislature to get the bipartisan budget deal done, but Jeffrey Beckham, the state budget director, said the funding is not sustainable. The administration also said ECS funding will increase \$128.8 million.

Otherwise, the governor’s proposed changes to the approved \$26 billion budget for the upcoming 2025 fiscal year were generally well received among his legislative audience.

But top Democratic leaders parted with Lamont over his insistence on strict adherence to so-called “fiscal guardrails” that limit how much spending can increase, how much revenue is available to spend and how much the state can borrow.

Leaders of the Republican minority are standing firm with Lamont. House Republicans are proposing to amend the state Constitution to incorporate two of these budget caps.

Lamont proposed spending increases and reductions that net out to an overall \$89.2 million increase in the bottom line to \$26.1 billion. But his proposed changes leave the 2025 budget just \$1.1 million below the state spending cap. The adopted budget was originally \$11.6 million under cap.

He proposed no new taxes and maintained historic tax cuts that he and legislators approved last year, including the first reductions in income tax rates in 30 years.

Lamont proposed one new tax break related to Connecticut taxpayers who are subject to New York state’s income tax because they work remotely for New York-based employers. State residents who successfully challenge the remote workers tax in federal court would be eligible for a 50% tax credit of the additional tax due to Connecticut.

Lamont proposed \$131.1 million in additional state bonding for capital projects over the more than \$2.4 billion that was authorized last year. This included \$90.5 million for the University of Connecticut.

He also proposed another \$100 million in tax-backed transportation bonding for bridge repairs and \$1.5 million for environmental compliance. More than \$1.6 billion in special tax obligation boards were proposed last year.

The governor is proposing to use \$503.9 million of the anticipated cumulative \$979.1 million balance in the Special Transportation Fund to retire outstanding debt in the dedicated fund. This would leave a balance of \$529.7 million.

Journal Inquirer

A political shift in CT? We might be watching it unfold

Dan Haar

The state legislature's newest member, Democrat Bill Heffernan of West Haven, returned to the House chamber after the Opening Day hoopla Wednesday, after Gov. Ned Lamont addressed a joint session of the House and Senate and chided anti-Israel protesters for disrupting the dignity, after most of his new colleagues scattered to all corners of the Capitol.

Two weeks after his election to fill a vacant seat, the 60-year-old retired hometown fire lieutenant and first-time elected official stood by himself in a largely empty chamber, soaking it all in.

"The pomp and circumstance at the Capitol is absolutely gorgeous," Heffernan, a retired fire lieutenant and first-time elected official at age 60, told me when I approached his newly assigned seat in a middle row.

Graying with a mustache, standing erect, dressed in a three-piece suit with a paisley tie and matching pocket square over a dress shirt with rounded collar, Heffernan is a refreshing throwback, or maybe a trendsetter.

"I probably should be focused on passing legislation, but I'm looking around," he mused.

What he's seeing, what he will see, is a fascinating political shift taking place before our very eyes, one that affects the whole state. It is a swing toward conservative handling of state money, led by a governor hellbent on maintaining stability for the state even if it means angering progressives.

Is the liberal wing of the Democratic Party suddenly the opposition against a moderate coalition of centrist Democrats and pro-Lamont Republicans? Most, especially Democrats, recoiled at that idea when I raised it Wednesday. But it sure looks like that's what's happening to me when it comes to state spending.

The old alignment since 2011 had Democrats calling the shots and Republicans on the outside looking in, the loyal opposition. The Dems would reluctantly raise taxes and spend money not on expanded programs, though there was some of that, but on debt, pensions, rising Medicaid and other out-of-control fixed costs. Progressives won some battles and lost some but they were mostly in the ruling coalition. Republicans would grouse and generally vote against the Democrats' budgets, except in that compromise year of 2017 when the GOP numbers were up and everyone had to accept a deal that called for strict spending limits even if we had budget surpluses pouring in.

Now we have surpluses that will soon total nearly \$10 billion over five years, with the vast majority of that excess cash going into the underfunded pensions — not propping up strapped public colleges and universities or starved private service providers or other social needs.

And we have a governor who's taking those spending limits seriously. On Wednesday he proposed a 4 percent increase in the fiscal year that starts July 1, which he painted, correctly, as a decent bump that's serving plenty of needs: early childhood education, housing and "our largest state grants ever to our state colleges and UConn."

Well, it's not plenty enough for progressives who see shortfalls of at least \$150 million at the colleges and universities and nearly \$200 million among the nonprofit service providers who run group homes, deliver mental health counseling and so many other functions for state agencies.

And it's not plenty enough for local K-12 school systems that expected even more than Lamont offered in his plan, which, to be fair, is still a hefty increase over this year's spending. It's not plenty enough for advocates to fight homelessness who wanted \$20 million above what was adopted last year and got \$3 million from Lamont.

Progressives say, correctly, we have the money to pay for all those bumped-up services because once again the state coffers are overflowing thanks to a healthy economy for the rich, whose capital gains and business partnerships fuel Connecticut's prosperity. But spending most if it is against the 2017 rules, reaffirmed almost unanimously in 2023.

And Lamont says, correctly, it's unwise to push spending increases beyond the rate of inflation or income gains. What happens when we build it into regular budgets and the excess dries up?

Nothing good, that's what. We've been there.

And so the halls of the Capitol flowed Wednesday with Republicans generally satisfied with Lamont's plan and moderate Democrats on board as well, though their heartstrings strain at the sound of advocates and colleagues calling for higher spending not only because it's the right thing to do, it's also a smart investment in the future.

On the left? Many Democrats said no, they couldn't vote for Lamont's plan as it stands now, not with all the unmet needs.

"I'm disappointed," Sen. Mae Flexer, D-Mansfield, said of Lamont's plan. She represents UConn's main campus and sits as co-chair of the higher education panel on the appropriations committee. Along with her co-chairman, Rep. Greg Haddad, she has been warning about growing shortfalls at the colleges and universities, with tuition creeping up.

"That's unacceptable," Flexer said, "and then the cuts to programming."

Through the air it flew, unhappiness on the left.

And yet, and yet, Democrats aren't ready to concede there's a new alignment. They say it's all about talking and working it out, which they vowed to do again this year.

"I am not in the opposition party to Lamont," Flexer said.

"Things that are flexible are resilient and things that are rigid break," said Rep. Maria Horn, D-Salisbury, co-chair of the finance committee.

State Comptroller Sean Scanlon, who recently penned an op-ed favoring the spending rules, known as guardrails, roundly rejected the idea of a political shift leaving the left on the outs.

"The notion that this is some civil war or showdown amongst Democrats is in my mind radically overblown," he told me sharply as Sen. Derek Slap, D-West Hartford, who spoke at a press conference this week calling for much more higher education spending, agreed strongly.

Clearly there's a limit to viewing this alignment as a full-on shift. The majority party is always unwieldy and even a governor who holds a tight purse tends to align with the mainstream of the party on social issues, environment reforms, regulation and so on.

Lamont clearly wants to keep courting the left and when I asked whether he's concerned about a rift with progressives he said simply, "no." But the reality is, he doesn't need the left anymore to adopt budgets.

His centrist coalition has taken root. Last year only 12 of 53 House Republicans and 1 of 12 GOP senators voted against the budget. This year we can expect a similar result even without tax cuts if spending remains under control.

We're watching. Newly minted Rep. Heffernan is watching and not committing to any position.

"I've always been a rule-breaker myself," Heffernan said, hinting that he isn't married to spending limits for their own sake. But he added, "You have to look at the big picture as well...If you spend all that surplus, you have nothing left."

Norwich Bulletin

CT legislature kicks off Wednesday with Lamont budget proposal, bill submissions and more

Ken Dixon

HARTFORD — The Connecticut General Assembly gathered on Wednesday to kick off its short, 13-week budget adjustment session at a time of continued state surpluses, spending limitations and the start of a legislative election year.

The House and Senate gaveled into session around 10 a.m., but the session began in earnest at about noon, when Gov. Ned Lamont proposed his adjustments to the second year of the \$51-billion biennial budget approved last year.

While there are projected multi-hundred-million-dollar surpluses from a continual flow of tax revenue, the second year of the budget is currently projected to have only \$10 million available in additional spending under current spending caps approved in 2017 and reinforced by lawmakers last year.

Still, some Democrats, with a 97-54 majority in the House of Representatives and a 24-14 edge in the Senate, want to raise social services and education spending, which would require some accounting tricks and overwhelming votes in the two chambers. Homeless advocates have asked for an additional \$20 million. And several progressive Democrats this week have reintroduced a call for higher taxes on the state's wealthiest.

Around dawn on Wednesday morning the 14-acre Capitol complex, including the adjacent Legislative Office Building was quiet. But a larger than usual contingent of State Capitol Police were stationed near various entrances and parking lots. There was anticipation that pro-Palestine demonstrators, who have recently disrupted scheduled speeches by Lamont, New Haven Mayor Justin Elicker and U.S. Sen. Chris Murphy, were planning on action either inside or outside the Capitol.

Electric vehicles Some in the legislature wanted to meet for a special session over electric vehicles, but it never happened. California last year adopted standards, phasing out all new, gas-powered vehicle sales by 2035. As Connecticut follows California standards, Connecticut would be required to do the same. The issue is expected to be a talking point and debated throughout the session.

Fake ticket scandal

Following the release of a report last week, it is expected that multiple proposals could be put forward tied to the recent fake ticket scandal. The report recommended a handful of new legislative initiatives, including adding criminal penalties for police officers who submit falsified data and traffic stops, among other proposals.

Education Funding for education will be a significant debate over the next three months. Lamont's budget chief told reporters last week the governor would seek to redirect tens of millions of dollars from K-12 districts to early childhood education.

The higher education funding debate is similar, where UConn and the CSCU system are bracing for cuts and say they are in need of additional funding.

Spending

Many of the key issues will come down to spending. The state can only spend so much due to fiscal guardrails, despite the high revenues. Columnist Dan Haar breaks down all you need to know on the spending debates here.