



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

November 16, 2012

Senator Joe Markley
47 Elm Street
Plantsville, CT 06479

Dear Senator Markley:

As you know, there's been a lot of attention paid over the past week to our state budget. We're writing to you to put that discussion into context as we address our current shortfall. And rest assured: it will be addressed, and it will be closed – without raising taxes.

About two years ago we inherited a state budget that had a structural deficit of approximately \$3.65 billion. Today, 22 months later, our current budget shortfall is \$365 million. That's one-tenth of what it was. In other words, 90 percent of the problem it took 20 years to create has been wiped out in a little more than 20 months. That's a lot of progress to have been made in a fairly short period of time.

It would not have been possible without the partnership of the General Assembly, and we want to thank those legislators who had the courage to make the necessary, tough decisions. We also want to thank the people of Connecticut for doing their part, and our fellow state employees for the work they do and the sacrifices they've made.

Let us also be clear that the number – \$365 million – is likely to change in the coming months. It might go down if revenues pick up, it might go up if they don't. But here's one thing we want everyone to hear: we will end the current fiscal year with a budget that is balanced, a budget that is balanced honestly, and we'll do that without raising taxes. We'll present a plan to do that in the coming weeks.

A lot of people are asking, "Why is this happening?" Why is a budget that isn't even five months old already experiencing a shortfall? It's happening here for the same reason it's happening in New Jersey, New York, Massachusetts, and a whole host of other states. A sluggish recovery at the national level means many states are experiencing declining revenues, and many people who didn't need it before all of a sudden need Medicaid, where our costs have subsequently and unexpectedly skyrocketed.

None of this is unique to Connecticut; it's happening across the country.

All of that said, we want people to remember one thing: we'll live within our means, which means we're going to need to make some painful spending cuts, and we're going to eliminate the shortfall without raising taxes.

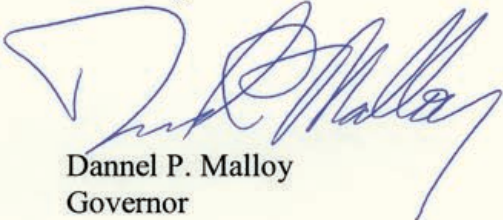
But let us make one other very important point: despite the challenges we face, tremendous opportunities exist for us to continue to help create private sector jobs. Tremendous opportunities exist for us to continue to enhance educational opportunities for everyone from a child who needs a pre-kindergarten learning experience, to an unemployed manufacturing worker looking to be retrained. And tremendous opportunities exist for us to make smart decisions to improve our infrastructure while continuing to put people to work.

Our bottom line is this: we face our challenges head on, and honestly, but we don't stop making smart investments and decisions.

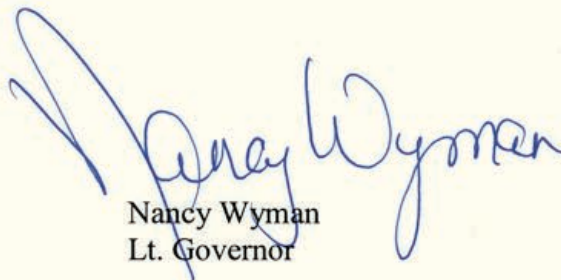
It's clear that we have a long way to go to get to where we want to be, but it's just as clear that we're headed in the right direction as evidenced by the progress we've made.

We have no intention of stopping now, nor should you.

Sincerely,



Dannel P. Malloy
Governor



Nancy Wyman
Lt. Governor