

## **Connecticut: Economics, Politics & Policy in the Constitution State**

Stefanie Chambers  
Trinity College

Throughout 2015 and at the start of 2016, the economic challenges in the state cast a shadow on virtually all aspects of the state's political system. After passing a budget in June 2016, lawmakers discovered that the projected deficit was far worse than expected due to structural problems and lower income tax revenue (Pazniokas 2015 b). Just a few months after the budget passed it was announced that the state closed the previous fiscal year with a \$113.2 million deficit (Pazniokas 2015 b). Moreover, in the next two fiscal years the state is projected to run a \$552 million deficit and a \$1.72 billion deficit respectively (Pazniokas 2015 b). The legislature's budget negotiations in 2015 resulted in painful cuts to social services. At the same time, Democratic Governor Malloy was in negotiations with prominent businesses in the state that were considering relocation due to a change in the corporate tax code that would result in a less desirable business climate.

Although it was easy to overlook other politics and policies in the state due to the poor economic forecast, there were noteworthy developments including criminal justice reform, the fascinating election of two urban mayors, and some dichotomies in the reputation of Governor Malloy. This state report begins with some of the economic reverberations in Connecticut, followed by a summary and highlights of some of the political and policy highlights in 2015.

### **Economic Reverberations**

A causality of budget negotiations in the state legislature was a unitary business tax that caused major corporations like General Electric and Aetna to consider relocation of

corporate headquarters outside the state. GE's possible departure received much attention because its departure would result in the loss of approximately 800 executive-level jobs (Keating 2015). Given the state's revenue shortfalls of recent years, the loss of more high-paying jobs in Connecticut poses a major threat to the state's revenue. The company not only registered concern over the tax climate in the state, but also the state's projected problems funding retiree pensions (Keating 2015). Negotiations between Governor Malloy and GE ultimately resulted in revisions by the legislature to the state's unitary business tax. Although GE has not yet decided whether it will leave Connecticut for New York or Boston, they have agreed to decide by early 2016.

In another high-profile battle, hospitals in Connecticut launched a major public relations offensive against state lawmakers after the governor cut \$63 million in state aid to balance the budget (Phaneuf and Becker 2015). December's deficit mitigation bill not only responded to corporate concerns among businesses like GE, but it also reduced cuts to hospitals by \$30 million (Phaneuf and Becker 2015). Because much of the state funding is matched with the federal funds, the state's hospitals will receive a net loss of \$91.7 million in combined government funding this year (Becker 2015). The fight between hospitals and the state was quite public as hospitals took to the airwaves and social media with very emotional appeals to the public. Beyond the cuts to hospitals, cuts to social services such as substance abuse treatment, have taken effect and have generated considerable concern among some social service providers.

**Governor Malloy: The Dichotomy of National Prominence and Low Approval**

Governor Malloy distinguished himself as a national Democratic leader during 2015. He started the year off by taking a very public stand against Indiana's restrictive same sex

marriage law. Malloy was the first governor to issue an executive order banning state-funded travel to the state of Indiana as a result of the marriage equality issue (Blosser 2015). The governor ended the year taking a high-profile stand on the Syrian refugee crisis, again involving the state of Indiana. When a family of Syrian refugees was refused relocation in that state by Governor Mike Pence due to terrorism concerns about refugee resettlement after the Paris attacks, Malloy promptly accepted the family that was en route to the United States. Malloy said “I think it is the right thing for us to do to respond to this tragedy that’s playing itself out. We have an obligation to the other nations of the world to do our part. It is the right thing, the humane thing to do... the morally correct thing to do” (Harris and Schoenfield 2015).

Malloy’s national prominence was not limited to interactions with Indiana. He was also appointed chairman of the National Democratic Governor’s Association for 2016. His leadership during this important re-election cycle speaks to his national prominence within the party (Keating 2014). Malloy was also an early endorser of Hillary Clinton for president. Some suspect that he is interested in a cabinet position should she be elected president. Regardless of the speculation about his long-term goals, his endorsement of Clinton came as little surprise since Bill Clinton stumped for Malloy in the competitive 2014 gubernatorial election.

In contrast to Malloy’s national prominence, his approval in the state reached record lows. In October a Quinnipiac University poll revealed Malloy’s approval rate of 32 percent (Pazniokas 2015 a). These numbers are connected to concerns about the state’s budget problems and reports about the possibility of corporations, like GE, leaving the state for more lucrative tax incentives elsewhere (Pazniokas 2015 a). Although it’s

unlikely that Malloy will run for governor in 2018, Republicans are attempting to link him to the Democratic-dominated state legislature in the hopes that they can pick up seats in the 2016 elections. It remains to be seen whether this will prove to be an effective strategy or whether the low approval was merely the result of very public discussions of the budget shortfall in the state.

### **Mayoral Elections**

Two very important mayoral elections resulted in the entry of a new face, and a not-so-new one in two of Connecticut's major cities. In Hartford, Luke Bronin defeated five-year incumbent Mayor Pedro Segarra. Bronin won the Democratic endorsement for the primary, forcing Segarra to collect signatures for a place on the September ballot. Bronin, a Yale-educated attorney and former Rhodes Scholar, served as Deputy Assistant Secretary for Terrorist Financing and Financial Crimes at the U.S. Department of the Treasury prior to accepting the position of General Council to Governor Malloy. Bronin is also a veteran. The race centered on Segarra's characterization of Bronin as an inexperienced outsider, and Bronin's claims that Segarra's failed leadership resulted in scandals, business exodus, and rising crime.

Bronin beat Segarra in the primary 55 to 45 percent and outspent Mayor Segarra by about \$800,000 that was raised nationwide (Carlesso, Goode and de la Torre 2015). In the general election Bronin carried 76 percent of the vote, ahead of his three opponents (*Hartford Courant* 2015). Approximately eighteen percent of eligible Hartford voters participated in the November election (*Hartford Courant* 2015). In addition to defeating an incumbent, Bronin becomes the city's first White mayor since Mayor Mike Peters (1993-2001) left office. This racial change is significant since the city is majority

minority and has had several Black and Latino mayors in recent years. Beyond the racial change, Bronin inherits a city in fiscal disarray with a very troubling spike in violent crime. Shortly after his election, Bronin announced that he would not accept the \$20,000 pay increase scheduled to take effect in 2016. This first step stands in contrast to what former Hartford leaders have done.

The Bronin victory is the story of a strong and viable candidate tapping into regional concerns about Hartford's vitality and pulling off a victory against a weak incumbent. In contrast, the mayoral election in Bridgeport was a very different story. Former Mayor Joseph Ganim won another chance to serve the Democratic town of Bridgeport. During his last stint as mayor, Ganim was convicted of corruption and served seven years in prison beginning in 2003 (*Associated Press* 2015). Ganim beat the incumbent, Bill Finch, in the Democratic primary. Finch planned to run under the Job Creation Party in the general election, but missed a filing deadline and had to drop out of the race (Hussey 2015). Ganim won the election in a two-to-one margin over his closest competitor, Mary-Jane Foster, vice president of the University of Bridgeport (Hussey 2015). Ganim convinced voters that he deserved a second chance and consistently reminded people of the low taxes and low crime under his earlier leadership of the city.

### **Major Policy Initiatives**

Criminal justice in its broadest sense is one of the top policy areas in the state today.

Medical marijuana was legalized in 2012. The death penalty was officially abolished by the Connecticut Supreme Court in August 2015. The legislature had previously abolished capital punishment for all crimes committed after 2012, a way to ensure that the men convicted in the 2007 Cheshire home invasion and murder could not evade execution.

However, the high court's ruling applied to all inmates on death row and for others accused of crimes committed before 2012. Connecticut joined eighteen other states that officially ban this form of punishment (Death Penalty).

Governor Malloy's Second Chance Society law represents another major program aimed at reforming Connecticut's criminal justice system. Malloy signed the bill in July 2015 and the package of reforms includes a reduction in the penalties for possession of drugs from a felony to a misdemeanor, provides opportunities for expedited parole and pardons for non-violent ex-offenders who committed victimless crimes, creates job and educational pathways for ex-offenders, and adds financial resources to reentry programs (Malloy Press 2015 a). Malloy also plans to push legislation that would alter the state's prosecution of minors as adults by increasing the age of eligible adults to 21. In reviewing the state's criminal justice reform in the state, a *New York Times* editorial board wrote of Governor Malloy:

Under his leadership Connecticut has repealed the death penalty, legalized medical marijuana, and passed some of the strictest gun laws in the country. And over the past 12 months, the state has become a remarkably productive laboratory for justice reform as Mr. Malloy continues to push for government transparency, societal mercy and individual responsibility (*New York Times* 2016).

All of this comes at a time when Connecticut crime rates are at a 48-year low.

Malloy has also taken a bold stand on gun control in the state. In December 2015 he announced his intention to sign a new executive order that will restrict people from government watch lists to purchase firearms in the state (Malloy Press 2015 b). Just as Malloy was coordinating with federal officials to gain access to no-fly lists and other terrorist identifying information, President Obama announced his intention to use executive actions to curtail the sale of guns in America. Malloy was in Washington at the

time of President Obama's press conference and said, "We cannot sit back and let guns get into the hands of those who shouldn't have them, and we cannot simply watch almost daily tragedy occur. Too many loved ones have been lost, and too many families have been torn apart by gun violence. That's why President Obama deserves enormous praise for leading on this issue in Washington, just as we have in Connecticut. It's time to step up - and we deeply appreciate the smart, commonsense steps the White House announced today. These actions will no doubt make a difference and make our communities safer" (Malloy Press January 2016).

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