2016-2017 Budget Summary

Democratic lawmakers in Connecticut proposed a two-year budget on Monday that restores funding to developmental services, mental-health providers and higher education that Gov. Dannel Malloy proposed cutting earlier this year.

The proposed budget, approved by the Legislature's appropriations committee, calls for $19.9 billion and $20.6 billion in spending for fiscal 2016 and 2017, about $515 million more than Mr. Malloy's plan, which was unveiled in February.

Not all categories saw increased spending in the committee's proposed budget. Judicial and correctional divisions, which include courts and jails, would receive $349 million less over two years, compared with Mr. Malloy's plan. Transportation funding would fall by $67 million in the committee budget, compared with Mr. Malloy's.

The appropriations committee on Monday also offered a new interpretation of the constitutional spending cap, which limits how much lawmakers can spend on a yearly basis. The committee said long-term debt obligations like pension payments shouldn't be included in the spending-cap calculation, a change from how they have typically been accounted for.

In February, the governor's budget office found that its $19.7 billion budget for fiscal 2016 exceeded the spending cap by about $50 million, due to a calculation error. Ordinarily it would take a three-fifths majority in the Legislature to approve a budget that exceeded the spending cap, but appropriations-committee leaders said that minus the pensions and other long-term debt obligations, their budget falls under the limit.

How the spending cap is calculated is important because legislators are trying to avoid painful cuts proposed in Gov. Dannel P. Malloy's two-year budget. The committee's bottom line spending is $605 million higher than Malloy's, at a total of $40.47 billion over two years.

The Democratic budget would increase spending by 4.6 percent over the current year and another 3.3 percent in the 2017 fiscal year, almost 8 percent over the two years, according to the legislature's nonpartisan fiscal office.

The new definition of the spending cap includes "levels of indebtedness" concerning the state's long-term obligations. The millions of dollars that are not counted toward the cap include the State Employees Retirement System and Teachers Retirement System, as well as pensions for judges, family support magistrates, and compensation commissioners. In addition, other post-employment benefits would not be counted.

Courtesy Nasdaq.com and The Hartford Courant.