

## **Connecticut: Tragedy and Fiscal Uncertainty**

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Since the May 2012 Connecticut report, the Newtown school shooting in December and the recovery from October's Hurricane Sandy have captivated public attention and political discourse in the state and at the national level. The human tragedy faced by residents of the state continues to dominate local and national news. Fiscal planning and confronting disaster emerged as central themes in Governor Malloy's January State of the State address that was broadcast on the state's public affairs network, and for a national audience on C-Span.

This report picks up where the last one left off in May 2012. As in previous reports, the role of Democratic Governor Dannel Malloy serves as a nice lens with which to view the situation of the state and the governor's ability to manage in a challenging fiscal era and through different types of disasters. The central issues of this report are storm response, reaction to the Newtown shooting, and the ongoing budget problems overshadowing the state. These three issues are important to Connecticut residents, Governor Malloy, and also relate directly to larger national policy debates. In comparison to these issues, the results of the 2012 election seem relatively unimportant, yet electoral outcomes will receive some attention at the end of this report, as will the emerging race for governor in 2014.

### **Emergency Response**

Since entering office in 2010, Governor Malloy has led the state during a number of weather-related disasters. In his first year in office, large snowfall pinched the state coffers and called for decisive leadership in order to save lives when travel conditions were treacherous. In 2011, a freak Halloween snowstorm devastated trees and power lines across the state and left over one million residents without power for several days. And, while the effects of Hurricane Irene in 2011 were worse in New Jersey and New York, Connecticut also shared in the destruction. Hurricane Sandy in 2012 ravaged the eastern seaboard just before the October election. As many analysts note, the 2012 elections were influenced by this storm. President Obama's leadership and ability to direct federal aid to those most affected by the storm gave him high marks in public opinion polls. New Jersey Governor Christie and President Obama set aside their partisan differences and worked collaboratively to help residents of New Jersey. Governor Malloy, who had exchanged snarky remarks with Governor Christie, even offered to send power crews to New Jersey once they were done with their work in Connecticut.

Collectively, these unplanned emergencies have provided Governor Malloy an opportunity to demonstrate his leadership abilities during a time of crisis. Residents have given him high marks for the way he has handled these disasters, although his overall approval rating remains low. As a result of all these storms, there is an increasing dialogue about how best to control growth and regulate rebuilding on Connecticut's coastline. This is also a topic of national discussion.

### **Newtown**

The shooting at Sandy Hook Elementary School in Newtown devastated the state and the nation. The situation also tested Governor Malloy's ability to respond to a human tragedy like few others and reassure residents that schools are safe. Malloy immediately became engaged in the dialogue about new gun legislation. He appointed a taskforce to examine the options in Connecticut and it is an issue at the top of the agenda for the recently resumed Connecticut General Assembly. This issue has risen to the top of the Connecticut political agenda, as well as in other states and at the national level.

### **Budget**

When Governor Malloy was elected, the state faced a staggering budget deficit. This issue was the primary focus of the 2010 gubernatorial race. As noted in earlier state reports, Governor Malloy and the state legislature closed the budget with a large tax increase. Malloy also clashed with state unions and reduced the payroll and benefits in an attempt to create more fiscal stability in the state. Both these efforts received much criticism in certain circles, but clearly reduced the impact faced by the state as the national economy continued to stagnate. Malloy also created some innovative programs to create jobs in the state. Some examples include: bringing Jackson Labs from Florida to Connecticut (details in the 2012 report), luring NBC Sports to the state from Rockefeller Center (Pazniokas 2012), the Small Business Express program that has provided 494 small businesses with no or low-cost capital, (Pazniokas 2013), and the lucrative aid offered to a hedge fund to relocate in Stamford (CT Mirror 2012). All of these initiatives illustrate Malloy's interest in making Connecticut an appealing home for business, and a method for creating jobs in the state.

Despite Malloy's efforts, the state's economy remains weak and its fiscal situation grim. Ranked as the state with the worst credit quality, the governor is about to embark upon a potentially precarious electoral season (Sturdevant 2012). Already, his former rival from the 2010 race, Tom Foley, is gearing up for another campaign. Once again, the budget will be the central theme and Foley will undoubtedly remind voters that Malloy was unable to deliver on the economic promises he made in the 2010 race and that his unbalanced budget was a failure.

Once again, on economic issues, Connecticut is a reflection of the nation. As the state grapples with economic recovery, we are inundated with ideas about how to grow our economy, increase revenue, and cut spending. Tolls, tax increases, and program cuts are part of legislative discourse. What is apparent is that unconventional ideas are necessary during these difficult times.

### **2012 Elections**

The most closely watched race in Connecticut was the Senate race for Joe Lieberman's seat. US House member, Chris Murphy (D) faced off against self-financed Linda McMahon. As reported in earlier state reports, McMahon failed to beat Richard Blumenthal in the 2010 US senate race despite spending millions of her own money. She spent nearly 100 million dollars on the two failed senate bids combined. This time around she hired a new PR firm to help reshape her image in an attempt to appeal to women voters. Her "Women for Linda" movement centered on her role as a business leader and job creator in the state. She downplayed the issue of how she made her money as the CEO of the World Wrestling Entertainment industry, an organization frequently cited for misogynistic images. She also tried to downplay her own personal financial problems, including a bankruptcy in 1976.

Chris Murphy was the three-term incumbent of Connecticut's 5th District. As noted in the 2012 report, this is one of the more conservative districts in the state and was vitally important in the 2012 senate race. The race between McMahon and Murphy was close until the very end. Given Murphy's electoral experience and incumbency advantages, it was a shockingly close race. Murphy had to address accusations that he was an absentee congressman and dodge criticisms that he was managed his own personal finances poorly. In the end, he won the race with 48.6 percent of the vote to McMahon's 43.6 margin.

The other close race was the race for the 5<sup>th</sup> Congressional seat held by Chris Murphy. The Democratic candidate, Elizabeth Esty, was a former state legislator who lost her seat after only one term due to her opposition of the death penalty. Esty remained anti-death penalty even after the gruesome Cheshire home invasion and murder situation in her district in 2007. Although her position led to defeat in 2010, it earned her the support of many in the US House race. The *New York Times* endorsed her precisely because of her courage to stand by her principles. She defeated a Republican state senator in a close race where she carried 51.3% of the vote.

The presidential election results were as expected. President Obama carried this blue state with 55 percent of the vote, capturing all seven of the state's electoral votes. The internal split in how different regions within Connecticut voted, however, is similar to the national red-blue state. Rural and suburban towns in eastern and western Connecticut went for Romney, while cities and more populous areas in the state went for Obama.

## **Conclusion**

Although Malloy gained respect among voters for his handling of the various short-term crises the state has faced during his watch, whether he wins a second term as governor will depend primarily on whether he can keep the state budget in the black. The public may be understanding, at least for a time, if Connecticut's economy continues to slowly add jobs in pace with the national economy. Public patience, however, is limited given that his first biannual budget called for significant "shared sacrifice" in the form of increased taxes and budget cuts to close a projected \$2 billion deficit. This time around, the state must find \$1 billion in revenue or savings. The risk for Malloy is that the public will be much less accepting of the tough choices that will be required to balance the budget and will reject Malloy's often-repeated argument that he inherited the state's poor fiscal situation from his predecessors.

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