State of Connecticut

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March 20, 2009

Chairman Toni Harp, Chairman John Geragosian, Ranking Member Dan Debicella, Ranking Craig Miner and other distinguished of the Joint Committee on Appropriations

Thank you for the opportunity to provide testimony in support of SB 49, An Act Concerning an Annual Summary of the Long-Term Fiscal Condition of the State.

In light of our state's current economic situation, new policies must be implemented to better educate and inform our state legislators in an effort to craft better economic policy which recreates an environment where businesses can grow and families can prosper.

SB 49 requires the Office of Fiscal Analysis (OFA) to prepare an annual summary of the long-term fiscal condition of Connecticut. This report would give a three year look back on Connecticut's economic trends and a five year forward looking view of the state's fiscal climate. This information is critical as we face a severe budget gap in the next three years. The General Assembly must expand its vision and analysis to better comprehend where Connecticut has been and where it is going, both economically and on a budgetary basis.

Current state statute requires the Office of Policy and Management (OPM) and OFA to submit budgetary information on an annual basis to the Finance, Revenue and Bonding Committee and to the Appropriations Committee. SB 49 increases the audience of the report to the entire legislature, and expands the economic awareness and perspective to include long-term financial trends and prospects.

SB 49 requires OFA to report on the following:

- Summary of the financial climate of the state;
- Information on state expenditures and revenues over the previous three fiscal years;
- Information on projected expenditures and revenues for the forthcoming five fiscal years;
- Information on specific tax and economic trends in the state and region;
- Data on the largest cost drivers within the state budget;
- Growth of long-term state debt, including bonding and unfunded pensions;

Passing this bill would provide the General Assembly with an extremely useful tool to develop future legislative policies for revitalizing Connecticut's economy.

Thank for your consideration of this proposal.