

**TESTIMONY PRESENTED TO THE FINANCE REVENUE AND BONDING
COMMITTEE
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Testimony Supporting Senate Bill No.833

**AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND OTHER
PURPOSES**

Senator Daily, Representative Staples and distinguished members of the Finance Revenue and Bonding Committee thank you for the opportunity to offer testimony on Senate Bill No. 833, An Act Authorizing Bonds of the State for Capital Improvements and Other Purposes.

This bill authorizes \$101.7 million in General Obligation bonds (GO) in FY 2010 and \$168.5 million in FY 2011 for various State agency projects and grant-in-aid programs. These proposed authorizations are in keeping with the Governor's emphasis on essential infrastructure investments, while remaining cognizant of the State's high debt levels and the need to control debt service costs.

A highlight of this bill is funding for new programs to provide incentives to municipalities to engage in regionalization. The Governor has recommended \$40 million in FY 2010 for new Regional Incentive grants to help offset the capital infrastructure costs of regionalizing a required governmental function or service. There is also \$10 million for grants to municipalities to assist with the joint municipal costs of cooperatively purchased capital equipment. The program requirements and other elements of the incentives are set forth in legislation that is before the Planning and Development Committee.

The bill also contains \$66.5 million over the biennium to fund projects across the Community-Technical College System and \$52.1 million over the biennium for Department of Public Works projects.

The most significant aspect of this bill is that it contains \$337.3 million of the \$389 million of previous bond authorizations that the Governor has proposed to cancel. Some of these authorizations are no longer needed others are duplicative in nature or in many cases no longer affordable or necessary in the current economic environment. I would note that after the cancellations there are about \$700 million in prior year bond authorizations that will still be available for a myriad of projects and programs in addition to the new authorizations proposed in this and other bills that are before you today.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.