



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
**SUPPORTING SB-156, AA DEFINING TERMS RELATED TO THE SPENDING CAP;
&
SUPPORTING SB-157, AAC THE BUDGET SURPLUS;
BEFORE THE
APPROPRIATIONS COMMITTEE
MARCH 20, 2009**

The National Federation of Independent Business (NFIB), Connecticut's and the nation's leading small-business advocacy association, respectfully submits the following comments supporting the aforementioned bills:

The problem that seemingly most legislators do not want to address is the long-term fiscal problem of state government. While huge state deficits are not directly a small business problem, the taxes required to fund government are, as are the programs those taxes pay for. Small business therefore has a huge stake state in fiscal policy. But to return current troubling fiscal trends to a rational course of reduced spending will require difficult political decisions that lawmakers seem abhorrent to discuss, let alone make.

In order to survive and remain competitive in business in the highly taxed, highly regulated, harsh economic climate of Connecticut, small businesses have *their* fiscal house in order. It is high time that state government does the same. Passage of SB-156 and SB-157 will go a long way toward improving the long-term economic condition of our state.

Small business supports SB-156, which would enact the constitutional spending cap approved by a strong majority (81%) of the voters in 1991 by adopting certain defining terms contained in the bill dealing with personal income, inflation and general budget expenditures. A constitutional spending cap would be a much stronger benefit for all taxpayers than the current statutory spending cap. Legislators would not have to bend to the pressure of special interest groups asking to do away with or modify the spending cap. In the same spirit that NFIB bases its state and federal public policy positions on our unique *Member Ballot*, the legislature should follow the will of the voters and enact the spending cap amendment they overwhelmingly passed.

Small business also supports SB-157, which creates a new and very responsible way to handle any budget surpluses, should there ever be any in the future. State government needs to stop spending surplus money as it comes in. By putting money in the "Rainy Day Fund" and providing tax cuts to Connecticut's overburdened taxpayers, the legislature would be sending a serious message that it is concerned about investing in the state's economic future. However, should the legislature continue past practices of spending surplus money, creating structural deficits and not adequately saving in the "Rainy Day Fund", the state will consistently find itself in the horrible economic throes we are in today.