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**Testimony before the Appropriations Committee in support of HB-5073 an act concerning the constitutional spending cap, and SB-3, an act redefining terms concerning the spending cap**

**Friday, March 5, 2010**

Senator Harp, Representative Geragosian, Senator Debicella, Representative Miner, distinguished members of the Appropriations Committee, thank you for this opportunity to testify in support of proposed HB-5073 and proposed SB-3, both of which concern implementation of the constitutional spending cap.

My name is Gail Lavielle, and I am an elected member of the Board of Finance of the Town of Wilton. In that position, I'm acutely aware of the economic and budgetary issues our towns and our citizens are facing today in Connecticut. The General Assembly has had an obligation to its constituents to implement the constitutional spending cap for the last 18 years, but never has that obligation been more pressing than it is today.

I'd like to make two points. The first is one of principle. In 1992, the people of Connecticut voted 4 to 1 in favor of a constitutional amendment that would impose a cap on state spending. The amendment itself stated that its enactment would require a vote by the General Assembly to define three terms in its language: "increase in personal income", "increase in inflation", and "general budget expenditures". Making sure that vote happened was a clear mandate from the electorate. Yet the General Assembly did not do so, and today, 18 years later, it has not done so still.

We have a state constitution and a process for amending it. These are the linchpins of our form of representative government. If our main legislative body is allowed to ignore them, then there are really no limits on its actions, and the citizens it represents cannot hold it accountable for them. I don't believe this is the spirit of the law of the state of Connecticut.

My second point relates to the relevance of these bills to the very grave economic situation we face today. Connecticut has the highest debt per capita, $1,700, of any state. We have unfunded state government liabilities of about $58 billion, anticipated budget deficits of $3 billion a year for at least the next four years, and a current shortfall of more than $500 million. Our bond rating is in jeopardy.

Revenues have been falling for more than two years. The response of the General Assembly has been – in addition to borrowing – to increase taxes, fees, and spending.

From my seat in town government, I can see why that is not working. Since last summer, I have spoken to hundreds of people in my town who have lost jobs, lost income, and lost savings. The business owners among them have lost customers, lost employees, and, unfortunately, even their businesses. The state has lost 96,000 jobs since March of 2008, and thousands of businesses have closed their doors – 7,000 in the first half of 2009 alone. Our current deficit shows that raising taxes and fees has led only to a growing revenue shortfall. It is time, and it is urgent, to cut spending and ensure that the cost of our state government stops exceeding the means of the population it represents.

Connecticut does have a statutory spending cap. Why, then does the General Assembly need to pass a spending cap bill? First of all, because the voters of Connecticut asked for one 18 years ago, and they are still waiting. This is, of course, not the first time bills have been introduced to fulfill the General Assembly's obligation. There have been many over the years, and one of them should have been passed.

In today's context, however, continuing to ignore the voters' mandate takes on an aspect of willful disregard. No one would advise a business, or a household, to spend more than it earns. But by refusing to acknowledge its obligation to its electorate, the General Assembly is, in effect, condoning that very financial policy for our state government at a time when it is not only inadvisable, but infeasible. Recognizing the need for financial discipline will go a long way toward restoring the bonds between Connecticut's government and its citizens, and it's the right thing to do. I therefore respectfully ask your support for implementing Connecticut's constitutional spending cap.