



M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
EXECUTIVE CHAMBERS

Testimony of Governor M. Jodi Rell

Presented to

The Appropriations Committee

March 5, 2010

House Bill No. 5017, AN ACT CONCERNING THE GOVERNOR'S RESCISSION AUTHORITY

During difficult budget years, the law provides for the Governor to make adjustments to agency budgets to take account of changes in circumstances since the budget was adopted. This is commonly referred to as the Governor's "rescission" authority. During the recent budget difficulties I utilized this power to the greatest extent possible for many different items. Additional savings could have been achieved had there been the authority to do so.

Given the difficulty in making legislative changes necessary to effectuate savings in the budget and given the state's continuing fiscal problems, I am proposing an expansion of the rescission authority when circumstances worsen. Currently the Governor may rescind up to 5% of any appropriation or 3% of any fund if the Comptroller projects a deficit that is 1% or greater than the amount of the General Fund. The proposal will allow a rescission of up to 10% of any appropriation or 6% of any fund in the case where the projected deficit is 3% of the General Fund and a rescission of 15% of any appropriation or 10% of any fund if the deficit is projected to be 5% of the General Fund.

The proposal does not give a Governor unlimited power to slash budgets. Writing and following a state budget is – and should remain – a balanced process, something that involves all three branches of government. But when the process – and the budget – is badly out of balance, as is certainly the case right now, someone must be able to restore that equilibrium. As Chief Executive of our state, this responsibility should rest with the Governor. These are modest – but necessary – changes and they will help ensure that the failure of the usual system for dealing with budget shortfalls does not wind up creating a lingering crisis or – worse – being solved on the backs of taxpayers with tax increases or ill-considered borrowing.