# State of Connecticut

## HOUSE OF REPRESENTATIVES
STATE CAPITOL

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**MEMBER**
PUBLIC HEALTH COMMITTEE
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To: Chairman Harp, Chairman Walker, Ranking Member Kane, Ranking Member Miner, and members of the Appropriations Committee

From: Representative Prasad Srinivasan, MD, 31st Assembly District

Date: April 5, 2011

Re: **Proposed HB No 5149** AA Implementing The Spending Cap

Chairman Harp, Chairman Walker, Ranking Member Kane, Ranking Member Miner and members of the Appropriations Committee-

I am here to testify in support of **Proposed House Bill 5149** An Act Implementing The Spending Cap. In 1991, the legislature passed an income tax and spending limit legislation. In 1992, the voters approved by a 4-1 margin, a constitutional amendment to limit spending. This has yet to see the light of day. I respectfully urge our legislature to implement this constitutional spending cap.
Provisions exist to exceed the spending limit when an emergency is declared by the Governor or for extraordinary circumstances as determined by a 3/5$^{th}$ majority of the legislature. This requires 91 votes in the House and 22 votes in the Senate.

In these unprecedented financial times that we find ourselves in, it is all the more reason to be prudent and to adhere very firmly to this constitutional spending limit. The formula for the budget is very well defined taking into consideration either the inflation rate or the increase in personal income, whichever is greater in any given year. The current statutory cap takes liberties by excluding certain expenditures from the spending cap, such as grants to distressed municipalities, federal mandates, and court orders for the first year.

These exclusions are not a part of the constitutional cap. The constitutional cap only treats debt service payments differently and does not include those under the cap. I believe that implementing the constitutional cap would require to eliminate the current exclusions in the statutory cap. Taking all of

this into account we can arrive at the number which is the constitutional spending cap and define our budget in a more transparent way.

I thank you for giving me this opportunity to testify before you and for scheduling this bill for a public hearing today.