



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

TESTIMONY OF
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CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
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LEGISLATIVE OFFICE BUILDING
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HARTFORD, CONNECTICUT

Good day. My name is Peter Gioia. I am the VP and economist for the Connecticut Business and Industry Association (CBIA). CBIA represents about 10,000 firms, which employ about 700,000 women and men in Connecticut. Our membership consists of firms of all sizes and types, the vast majority of which are small businesses employing fewer than 50 people.

CBIA supports the following bills: HB 6520 An Act Concerning Results-Based Accountability and HB 6519 An Act Concerning Medicaid Savings.

Connecticut's ability to manage its state and local government's budgets has a direct effect on our economy. The more effective and efficient that government is, the better our business climate will be, and the better Connecticut will be able to compete with other states to bring in businesses and the jobs and revenue they generate. These jobs make the economy stronger and produce additional tax revenues that make it easier to pay for state and local programs and services.

Therefore, making government more efficient isn't just a desired goal--it's essential to maintaining a healthy economy and good quality of life. In order to meet vital citizen needs, government needs more information regarding how services are delivered. Government needs to find ways to accurately measure output and results from its operations.

HB 6520

In order to achieve this key factor that we see needed is that any performance measures must explicitly measure outcomes not activity. Most agencies can tell you all about what actions they take and precious little about whether or not their programs make actual ongoing positive differences in the lives of the citizens of Connecticut. CBIA wants to see measures that show actual results. The concept of performance budgeting within state agencies as exemplified in the Results Based Accountability (RBA) process is a vitally needed step. Therefore, we strongly support the concept of expanding RBA to more programs as in HB 6520 An Act Concerning Results-Based Accountability. Indeed, we have been concerned about better measurements of state program effectiveness for years. However, we remain perplexed that the General Assembly calls for expanding RBA with all deliberate speed when we are in fiscal crisis. Expansion of RBA should be called for across all major agencies and programs and in smaller programs where you worry about the effectiveness of the program. We worry a lot about the slow pace of expansion of RBA when we all know precious little is known about outcomes in some many costly areas.

We don't know if social services programs really provide the supports that directly lead people out of dependency towards more self-sufficient lives, if transportation programs really allow the faster movement of people and goods, and if our education systems fully prepare students for productive lives in the real world.

We think it would be a good idea to modify this bill to not be only to two more areas, but to be law for all state programs. While this would be a big project the committee could propose phasing it in beginning with the largest and most costly program first. Certainly, our economic crisis may pose additional risks to the state budget for years after this year's biennial budget is passed. A larger RBA effort cannot be implemented too broadly or too soon.

HB6519

CBIA believes it is wise to do a comprehensive assessment of how savings may be maximized in the state's Medicaid program. We support this bill calling for such an effort.

Thank you for the opportunity to submit this testimony.

