

## State of Connecticut

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PLANNING AND DEVELOPMENT COMMITTEE  
LEGISLATIVE MANAGEMENT COMMITTEE

### *Testimony for Appropriations Public Hearing April 5, 2011*

Chairwoman Harp, Chairwomen Walker, Senator Kane, Representative Miner, and members of the Appropriations Committee, thank you for the opportunity to appear before you today to testify on four bills before your committee:

***SB 452 - An Act Concerning State Mandates***

***HB 5811 - An Act Concerning The Implementation Of GAAP Accounting***

***SB 229 - An Act Concerning Certain Agreements of Stipulations Required To Be Approved By The General Assembly***

***HB 5810 - An Act Concerning Implementation Of The Constitutional Spending Cap***

There are currently over 1,200 mandates that the state places on our municipalities. Some of these mandates put a tremendous amount of financial strain on municipal budgets. SB 452 would require a 2/3 majority vote in each chamber of the legislature in order to pass any unfunded mandates that affect municipalities. Our Municipalities have expressed to us on countless occasions their frustration that the state legislature continually passes unfunded mandates without properly scrutinizing the affects they have on municipalities. Requiring a 2/3 majority vote to pass any unfunded mandate will give these costly unfunded mandates the scrutiny they deserve. Over the past four years, the legislature has been reluctant to roll back any past unfunded mandates placed on our municipalities. This bill will serve as a check valve to at least slow down future passage of bills that cost our towns and cities money.

**House Bill 5811** would require the Comptroller, Secretary of the Office of Policy and Management and the Office of Fiscal Analysis to include Generally Accepted Accounting Principles in certain reports. State government's accounting practices have failed to provide a clear picture of the states finances for far too long. Members of the assembly debate for hours the true nature of our deficits and surpluses due to the unreliable accounting practices currently in use. GAAP reporting will allow legislators a clear picture of the state's finances and allow them to be better informed when making budget decisions. This will also be beneficial for the general public. A clear report will enable members of the public to better understand the state budget.

We, as legislators are entrusted with the responsibility of deciding how our constituents' taxpayer's money is spent. We spend months reviewing appropriations, revenue streams, and borrowing requests. But, there is one area of the state budget that does not require the approval of the legislature. Approximately \$3 billion of the state's budget is spent on our state employees. Most of those employee benefits are collectively bargained and do not require approval from the legislature. The legislature currently has the option to vote against these agreements but is not required to vote in favor of these agreements for them to become law. For years the legislature has decided to not bring these agreements before the legislature and simply have them becomes law without an actual vote. We as legislators owe it to our constituents to actually vote on these agreements and give them the scrutiny they deserve.

In 1991, we did something rare. We had an issue we thought was so important, we left it in the hands of Connecticut citizens to decide what we should do. And, 81% of voters cast their ballots in support of a constitutional spending cap. Unfortunately over the past 20 years we have chose to ignore the wishes of our constituents. It is about time we live up to the promise we made, and implement the spending cap as the constitutional amendment was written. The amendment requires us to set a reasonable rate of growth on all spending, except debt service. In our statutory cap, we have opened it up to more exceptions.

Taxpayers are paying 250% more than what they paid in 1991. The spending cap is an important tool, but I would argue that the reason for the cap is not to put great restraints on spending, but to protect taxpayers.

Rather, the spending cap is more like an alarm that tells us we're taking too much money out of the pockets of families and businesses. That's why we tie the rate of spending growth to personal income growth. A strong spending cap keeps our state on strong economic ground and keeps us competitive with other states.

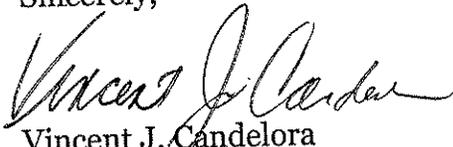
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Instead of getting upset and outraged about the legislature's inability to keep taxes low by controlling spending, families and businesses are choosing to vote with their feet. That's why we've seen almost no population growth and even less job growth and this trend will continue until we make some major changes. Implementing the constitutional spending cap would be a good first step to reversing that trend. For these reasons, I support the passage of H.B. 5810.

Thank you again for the opportunity to come before you and we look forward to working with the Committee and General Assembly to put forth proposals that will be in the best interest of our taxpayers.

If you have any questions, I would be happy to take them now.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vincent J. Candelora".

Vincent J. Candelora  
Deputy House Republican Leader