

**TESTIMONY OF  
BONNIE STEWART  
VICE PRESIDENT AND COUNSEL  
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION  
BEFORE THE  
FINANCE, REVENUE AND BONDING COMMITTEE  
MONDAY, MARCH 21, 2011**

Good Morning, my name is Bonnie Stewart. I am vice president and counsel of the Connecticut Business and Industry Association (CBIA). CBIA represents over 10,000 companies in the state ranging from large industrial corporations to small businesses with one or two employees. The vast majority of our members, about 90 percent, have fewer than 50 employees.

With modifications, CBIA supports **HB-6586 An Act Concerning The Use Of Certain Revenues To Provide Funds For The Budget Reserve Fund, Capital Debt Payments And Pension Payments.**

Compounding the problems of Connecticut's immediate budget crisis is that the state has put off, for two decades, the adequate funding of its long-term commitments, chiefly for state employee and teachers' pensions and state employee retirement health care. The underfunding of these and other obligations, coupled with the recession-induced loss of investment income, has ballooned Connecticut's unfunded liabilities to more than \$70 billion. This is one of the highest long-term obligations in the U.S. and would require every resident in Connecticut to pay nearly \$19,000 to fully fund.

Altogether, Connecticut is ranked No. 1 among the states in per capita debt load. With a new and more cautious climate for major bond issuances, these serious fiscal factors are jeopardizing the state's capacity to borrow.

Therefore, while we agree with the intent behind **HB-6586**, we believe more needs to be done to replenish the Rainy Day Fund, make debt payments and reduce the unfunded liability of public pension plans. We recommend that you not limit the monies going to these areas via a dedicated revenue stream. Instead, the measure should be modified to direct that any surplus monies go to this effort.

Please modify **HB-6586** as suggested above.

Thank you for the opportunity to express our view on this matter.