STATEMENT
In Opposition of
Senate Bill 935: *AAC the Elimination of State Financial Assistance for Companies that Reduce Retirement Benefits*

Labor and Public Employees Committee
February 17th, 2011

The MetroHartford Alliance is the region's economic development leader and Hartford's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, institutions of higher education, and regional municipalities.

While we continue to face extreme fiscal challenges, we urge the legislature to make Connecticut's economic recovery its only priority and to pass a balanced budget by April 30th. Consider the facts:

- Currently, Connecticut has the *highest* deficit per capita in the entire nation compounded by the highest bonded indebtedness.
- We are facing deficits in the next biennium that exceed $7B, while unfunded public retiree pensions and healthcare hover around $46B.

Given these enormous obstacles to job retention and job growth, any legislation that is irrelevant to the vital work that is being done to balance the state budget should be postponed until the state is on solid financial ground. Senate Bill 935 is one such bill.

Additionally, it is critical at this time for us to begin to implement an aggressive strategy to attract *new* jobs and investment to our cities and our state, while also retaining the jobs we are fortunate to have. As an economic development organization, we ask that you consider the *highly* anti-competitive implications of Senate Bill 935. This proposal would require that a business organization that receives state financial assistance not eliminate or reduce any retirement benefit being provided to retirees of the organization, even if a change in retiree benefits means retaining existing jobs.

During this fiscal crisis, it is particularly vital that we exhibit the leadership that distinguishes Connecticut as a state that values job growth and capital investment. Senate Bill 935 not only penalizes our domiciled employers, it would clearly discourage employers outside our state from investing in Connecticut, directly reducing our access to new jobs and the host of other benefits, including tax dollars and community corporate giving, that business retention and expansion brings with it.

Additionally, the vague language contained in Senate Bill 935 makes it unclear whether other institutions such as colleges and universities would be affected. If so, we risk sacrificing state financial aid funds for lower income students who otherwise could not attend those institutions if any changes are made to benefits for retired faculty and campus staff. Such a strong deterrent to workforce development is unfathomable when we are faced with an aging population and an inability to retain young professionals.

We should view the current economic crisis as an opportunity for Connecticut to stand out as a business friendly state and to take steps that make us *more* competitive, not less. By passing Senate Bill 935, we run the risk of deterring new investment in our state, discouraging expansion of Connecticut's domiciled companies, and losing the talent that is attracted to new business ventures.

We ask you to work with us to help Connecticut stand out as a premier place to create jobs and, therefore, urge you to reject Senate Bill 935.