State of Connecticut

HOUSE OF REPRESENTATIVES
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

REPRESENTATIVE THEMIS KLARIDES
ONE HUNDRED FOURTEENTH ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING
ROOM 4200
HARTFORD, CT 06106-1591

HOME: (203) 735-5911
TOLL FREE: (800) 842-1423
FAX: (860) 240-0207
EMAIL: Themis.Klarides@housegop.ct.gov

DEPUTY REPUBLICAN LEADER

MEMBER
APPROPRIATIONS COMMITTEE
EXECUTIVE & LEGISLATIVE NOMINATIONS COMMITTEE
JUDICIARY COMMITTEE
LEGISLATIVE MANAGEMENT

Testimony for SB 501 - An Act Concerning the Audit of Certain Municipalities
Planning & Development Committee Public Hearing
February 14, 2011

Good morning Chairs Cassano and Gentile, and Ranking Members Fasano and Aman, and members of the Planning and Development Committee. I am here on behalf of the House Republican Caucus to express our support for Legislative Republicans' proposed Senate Bill 501 *An Act Concerning The Audit of Certain Municipalities.*

The current economic crisis has been one of the most challenging times for the legislature in recent memory. A $3.5 Billion annual state deficit, thousands of our citizens unemployed and scores of business closures have caused us all many sleepless nights. If there is one positive aspect of this dire economic situation, it is the renewed focus on scrutinizing every tax dollar the state spends and ensuring it is being used as prudently as possible. That is exactly the purpose of SB 501.

The bill authorizes the Auditors of Public Accounts to review the budget and financial condition of municipalities whose populations are thirty thousand or more and receive state aid in excess of 35 percent of their operating budgets. The Auditors of Public Accounts would also be required to report back to the Governor, Planning and Development, Appropriations, and Finance, Revenue and Bonding Committees regarding any programmatic savings, efficiencies, financial improvements and reforms that could be implemented in the municipalities.

It is important that we constantly remind ourselves that we are not spending the state's money; we are spending the taxpayers' money. Currently, the Auditors of Public Accounts conducts audits of every state agency. The majority of agencies receive much less in state taxpayer money than some of our larger cities. It's common sense: if we are going to audit a state agency with a $10 million budget, we should audit cities that receive $200 million in state taxpayer money.

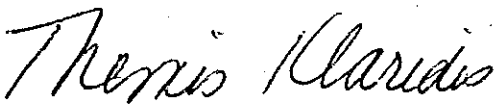
The state currently spends over $2.8 billion in municipal aid with very little oversight. We constantly hear from our municipalities that they are in need of more funding for education, road repair, and capital improvements, but rarely do we closely examine how the money is used. Our municipalities are very deserving of this state assistance as long as the money is being spent in the most effective and transparent way. An audit into municipal finances will provide us with valuable information that will enable us to make better, more informed decisions for our state, our municipalities and most important, our customers—the taxpayers.

Before closing, I want to acknowledge that cities and towns currently are required to undergo independent audits each year. However, those audits are narrow in scope and do not look at cities from the perspective of the state and how taxpayer money is being used, which is the goal of this bill.

Thank you again for the opportunity to come before you and we look forward to working with the Committee and General Assembly.

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

Respectfully Submitted,



Themis Klarides
Deputy House Republican Leader