

122



**Testimony of
Kim Hynes, Senior Organizer, Common Cause in Connecticut**

Finance, Revenue, and Bonding Committee
April 23, 2015

Re: S.B. 1135: An Act Establishing a Sustainable Path for Maintaining the Budget Reserve Fund and Reducing the Effect of Revenue Volatility on the State Budget

Senator Fonfara, Representative Berger, and distinguished members of the Committee:

Thank you for the opportunity to testify on S.B. 1135: An Act Establishing a Sustainable Path for Maintaining the Budget Reserve Fund and Reducing the Effect of Revenue Volatility on the State Budget.

I speak today on behalf of Common Cause in Connecticut. Common Cause is a nonpartisan, nonprofit citizen lobby that works to improve the way Connecticut's government operates. Common Cause has worked for four decades in Connecticut and worked with the General Assembly and many Governors to pass strong freedom of information laws, election reforms that open up our electoral system to broader participation, campaign finance and disclosure reforms and common sense ethics reforms. We have more than 400,000 members nationwide, 35 state chapters and 7500 members and activists in Connecticut

S.B. 1135 seeks to reduce the effect of revenue volatility on our state's budget. Common Cause testifies in favor of this effort, as well as in favor of increased revenue in the upcoming fiscal year to avoid harmful cuts to crucial public services.

The cuts proposed by the Governor's budget remove nearly \$600 million from programs critical to families across the state, including:

- \$158.0 million from the State Department of Education;
- \$49.3 million from the HUSKY health insurance program for children, families, and pregnant women;
- \$65.9 million from higher education; and
- \$11.3 million from the Office of Early Childhood.

As you may know, Common Cause is not a service organization. But we have long maintained that a secure, educated electorate makes the strongest democracy and we work to insure that as many people from all walks of life are able to participate. John W. Gardner, founder of Common Cause was a Republican who served in the Cabinet of President Lyndon Johnson started Common Cause *"for those Americans who want to help in the rebuilding of the nation"*. Rebuilding (or investing in) our nation and state is not possible for families and individuals who are struggling with basic needs. Families unsure about their next meal or their ability to

pay rent or utilities, and who must make decisions about which bills to pay and which to put on hold are not able to participate in our democracy. This is unacceptable and weakens our democracy.

According to a report from the Economic Analysis and Research Network, Connecticut's top 1% of earners made an average of \$2.7 million last year, while the bottom 99% averaged \$52,000, a ratio of 51:1ⁱ. The current rate of childhood poverty in Connecticut is 15%, the 8th highest in the nation, while the total rate food insecurity is 13.4%.ⁱⁱ It is disgraceful that in the state with the highest earners in the nation should have over 1 in 7 citizens go hungry.

The proposed cuts unfairly target those least able to mitigate the damage. Spending on children and families makes up only a *third* of the budget, but over *half* of cuts. **We suggest that now should be a time of investment. Shortsighted divestment will cost in the future, especially in the lives of our children.**

In order to avoid the harmful effect of these cuts, we ask the committee to raise revenue. We support the revenue ideas of groups like Connecticut Voices for Children, including a more progressive income tax, the elimination of certain tax breaks, and raising the cigarette tax, among others

Every cut we make is a choice, and we must make better choices. As John Gardner said, "*Nobody likes to pay taxes. But if this nation [state] is to solve its problems, the citizen is going to pay more, not less, in taxes. Faced with that painful reality, the citizen is going to demand that the tax system be equitable. It is not equitable today.*"ⁱⁱⁱ

- If we choose to end a 1997 tax break for Internet services (\$62.2 million), we can maintain health insurance coverage for low-income parents and pregnant women (\$49.3 million) and restore the EITC (\$11.0 million);
- If we choose to make our personal income tax more progressive (\$300 million), we can prevent significant cuts to K-12 and higher education (\$223.9 million), restore cuts to the Office of Early Childhood (\$11.3 million), and much more;
- If we choose to eliminate a 1993 tax break for amusement and recreation services (\$70.0 million), we can maintain state support for developmentally disabled children (\$20.0 million), the Department of Children and Families (\$15.7 million), youth mental health and addiction services (\$2.7 million) and more.

Thank you for your time. I would be happy to answer questions.

ⁱ <http://s3.epi.org/files/2014/IncreasinglyUnequalStatesofAmerica1917to2012.pdf>

ⁱⁱ <http://www.spotlightonpoverty.org/map-detail.aspx?state=Connecticut>

ⁱⁱⁱ Gardner, John W., *In Common Cause*. New York, W.W. Norton & Co., 1973.