



STATE OF CONNECTICUT
SENATE
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591
SENATE REPUBLICAN OFFICES

Chairman Fonfara, Chairman Berger, Ranking Members Frantz and Davis, and members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to testify today in favor of two Senate Republican Caucus proposals, **SJ 18, Resolution Proposing An Amendment To The Constitution Of The State To Require A Three-Fifths Vote Of The General Assembly To Authorize The Issuance Of Bonds To Fund State Operating Expenses That Were Previously Funded By Appropriation Or Revenue Diversion**, and **SB 163, An Act Requiring The Establishment Of The Learn Here, Live Here Program**.

SJ 18 would make it harder, but not impossible in emergency situations, for Connecticut to bond for operating expenditures by requiring a super-majority of the General Assembly for passage. Such a change would require a Constitutional Amendment to ensure that future legislatures abide by the change. If passed by your committee, and by a sufficient majority in both chambers, the amendment would go before the voters for enactment.

Since 2011, over \$1.5 billion of what was once considered an operating expense has been moved to the bonding side of the ledger. This is a very poor fiscal practice, as it costs state taxpayers approximately 5% in unnecessary interest expenses and it also artificially reduces the state's expenditure growth rates since it is no longer captured in that calculation. *Simply stated, using your credit card to pay for ongoing expenses is irresponsible and unsustainable.* Some past and proposed examples of this practice include the conversion of over \$560 million in outstanding GAAP deficit funds, the conversion of municipal tax relief, and the transfer of highway and bridge equipment from STF to bonding.

SB 163 actually establishes the Live Here, Learn Here program, which is now just permissible in state statute. Under the program, students that graduate can save money toward a down payment on their first home in Connecticut by segregating out a portion of state income tax payments (up to \$2500 a year) for up to ten years after they graduate from a public or private college or regional technical school. Numerous reports and studies have highlighted the recent and unfortunate brain drain of college graduates leaving the state. And while Connecticut has developed reputation of a highly educated and innovative work force, we must maintain that distinction by encouraging our college graduates to remain in our state. One of the impediments to keep these individuals in Connecticut remains the relative high costs of housing. SB 163 would help mitigate this obstacle by allowing recent graduates to save money toward their first home.

Thank you for the opportunity to testify today, and I strongly encourage passage of SJ 18 and SB 163.