I urge support of SB 531, establishing a modest fee on large low-wage employers. It is a win-win-win proposition. 1) It raises much-needed revenue, partially offsetting the subsidies the state currently gives low-wage employers in the form of services to those workers. 2) It encourages those employers to raise wages. 3) To the extent that wages are raised, state expenditures to mitigate the effect of poverty wages will be reduced.

I oppose HB5587, which continues until January 1, 2019, the Commission on Fiscal Stability and Economic Growth. The proposals made by the commission do not need to be refined -- they need to be rejected. The commission's proposals would further shift the burden of Connecticut taxes onto the backs of low- and middle-income residents, in a state that is already among the richest and most unequal in the country.

The current commission should be disbanded. Significant errors of fact and analysis in its report should disqualify it from continuing. These include the report's claim that all households would benefit from the commission's proposals, and that low-income households would benefit more, proportionally, than high-income households.

The report greatly overstates low-income households' gains from cutting the income tax. The commission did not take into account the complex system of exemptions and credits in the state income tax system. Under current law, low- and low-middle-income households pay little or no state income tax. Therefore, little or nothing would be saved by the proposed reduction.

The report also greatly overstates the impact of the proposed 0.9% sales tax increase on high-income households. It ignores the widely-accepted finding, including by Connecticut's own DRS, that sales taxes impose a much heavier burden on low-income residents, and have an almost trivial impact on the wealthiest.

That a commission co-chaired by the former CEO of a major bank could be so wrong reflects the makeup of the commission. It's report should be rejected and the commission disbanded.

I would also like to express support for HB 5590, concerning the bond cap and the bond lock. The proposal to exclude refunding bonds and temporary borrowings from the calculation of the bond cap makes sense. And it illustrates one reason that the bond lock, AKA bond covenants, should not only be delayed but repealed.

It is almost inevitable that there will be technical fixes needed for the various caps covered by the covenants. And experience may well show other flaws. The bond covenants are fundamentally undemocratic. They bind future legislatures to the policies being decided by the current political balance of forces. The bond lock essentially turns substantial control of our fiscal future over to Wall Street.

Thank you.