



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING COMMITTEE
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Testimony Opposing Senate Bill No. 1134

**AN ACT RESTRUCTURING THE STATE BOND COMMISSION AND ESTABLISHING A
DEDICATED BONDING SECTION WITHIN THE LEGISLATIVE OFFICE OF FISCAL
ANALYSIS**

Senator Fonfara, Representative Rojas and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on Senate Bill No. 1134, An Act Restructuring the State Bond Commission and Establishing a Dedicated Bonding Section Within the Legislative Office of Fiscal Analysis.

Senate Bill 1134 removes the members of the executive branch from the State Bond Commission and thereby greatly diminishes the Executive Branch's authority to prioritize and manage the State's capital and infrastructure investment projects.

The proposed bill appears to shift considerable executive responsibilities to the legislative branch. It does not reflect the serious work we have before us in getting our state's financial affairs in order at a critical time when we are trying to send signals of stability and progress.

Moreover, it is an affront to decades of settled expectations and cooperation among and between the executive and legislative branches of state government. It is uncalled for, unnecessary and a distraction from the serious work we have before us in getting our state's financial affairs in order. It would send a dubious message to our taxpayers, businesses, investors and the rating agency community at a critical time when we are trying to send signals of stability and progress. The efforts to get our borrowing habits more in line with our ability to pay is a critical goal for the state's fiscal health. There is a path for the executive and legislative branches to accomplish this jointly.

We have made considerable progress in recent years in restoring our state's financial credibility. This fundamental restructuring of the state's capital program governance is unlikely to be viewed in a positive light by the rating agencies. Therefore we cannot afford to jeopardize the precious gains we have only recently made.

To continue to maintain the objectives of stability and balance, the Governor and OPM will work closely with all stakeholders, including the legislature, to develop priorities that are consistent with these objectives and will allocate bond funds accordingly. Cooperation by both the executive and legislative branches of state government signals consensus and joint leadership to the Connecticut's taxpayers – residents and businesses alike – as well as rating agencies. In fact, investors and rating agencies to date have viewed the new working relationship between the Governor's Office and the Legislature as a sign of positive outlook for the State of Connecticut. We look forward to continuing this positive and effective working partnership with this committee and legislators as we go about the serious work ahead of us relative to our capital infrastructure, bonding programs and financial condition.

We respectfully request that this bill not move forward. I would like to again thank the committee for the opportunity to submit this testimony.