



**Testimony Submitted to the Connecticut
Spending Cap Commission
October 5, 2016**

My name is Brian Anderson. I am a legislative and political representative for Council 4 AFSCME, a union of 35,000 Connecticut public and private employee members.

The spending cap is an artificial construct that has served the state poorly. The cap does damage to the democratic process in that our system has incorporated a simple majority as the requirement for changing or creating law. Yet the statutory spending cap calls for a 3/5 vote of both houses to exceed it. There are some things of vital importance for which a supermajority vote may be required, but determining the day to day operation of government is not one. Further evidence of the folly of the cap is that governors and the state legislature exceeded the cap many times since its 1991 passage.

The premise of the cap is false. The premise is that the State of Connecticut spends money like a drunken sailor. The facts show that Connecticut is a fiscally conservative and prudent state in its spending. In 2011, the Connecticut Economic Quarterly, a University of Connecticut economic research institute, found that Connecticut is among the bottom four states in spending as a percentage of income. The report said that Connecticut under spends on most government activity including education and infrastructure. It would be nice to have the Connecticut Economic Quarterly update this study, but the Quarterly was wiped out in a cost saving move.

The state would be better served if the cap were abolished. However, that is politically unlikely. The next best thing to do with the spending cap is to make it workable, and make sure that it stops doing harm to state citizens.

The cap has led to erosion of government services for some of the most needy citizens – those who need a safe home for adult children with disabilities, poor children who need dental care and deaf and hard of hearing citizens who need interpreters. State and municipal employee ranks have been severely depleted.

The spending cap should be made as flexible as possible in order to meet human needs, infrastructure needs and other vital government functions. It should also be

made flexible enough so that our state never has to decline federal funds. In 2015, the governor and the legislature moved long term pension and retiree health care costs out from under the cap.

Also, the spending cap debate is inherently entwined with the tax debate. It would be much better for the state to restore taxes on the richest citizens who have been able to shift their tax obligation onto the backs of middle class and lower income working families. The recent news that billionaire Republican presidential candidate Donald Trump likely paid no federal income tax for almost twenty years shows the unfairness of our current revenue system. Re-establishing a separate capital gains tax, ending the carry forward interest loophole and ending corporate giveaways would help put our state on a more stable financial footing.

Instead of focusing narrowly on ways to limit or cut public services at a time when we need them more than ever, we urge you to look at comprehensive revenue reform, including ways to reduce our state's over-reliance on the property tax.