

Appropriations Committee JOINT FAVORABLE REPORT

Bill No.: HB-5437

Title: AN ACT CONCERNING EQUITY AND THE GOVERNOR'S BUDGET.

Vote Date: 4/7/2022

Vote Action: Joint Favorable Substitute

PH Date: 3/25/2022

File No.:

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SPONSORS OF BILL:

Appropriations Committee

REASONS FOR BILL:

The bill was proposed to require the Governor's proposed budget to include an explanation of the state's efforts to further equity. This requirement would be similar to Sec. 4-74a that requires the Governor to provide the legislature with information concerning the impact of the budget proposal on the economy.

Substitute Language:

This bill was amended to clarify the definition of "equity" within the Governor's proposed budget as several speakers testified that they viewed the language as not explicit in description and left to interpretation.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

Rep. [Jason Rojas](#), **State Representative, House Majority Leader** – Rep. Rojas testified in support of the bill, expressing that emphasizing equity is an important step towards ensuring every Connecticut resident receives equal support and opportunity.

CT Women's Education and Legal Fund – The organization provided testimony supporting this bill stating it was a necessary and long overdue proposal. They expressed that previous budget proposals have lacked transparency in process and have not prioritized equity, resulting in unfair policies and practices including high rates of income inequality and significant disparities in tax burdens.

Stacy Zimmerman, Service Employees International Union (SEIU), CT State Council – Mr. Zimmerman expressed support for this bill, stating that it addresses historic discrimination. The organization did propose technical changes to the bill and requested the definition of equity be changed to their provided language. His suggested language revisions included “equity” meaning how the proposed policy making, service delivery, and distribution of resources intentionally meets the needs of state residents with different histories, challenges, and needs, including but not limited to those who have been systematically disadvantaged by (1) race; (2) ethnicity (3) gender; and (4) physical, mental, behavioral or developmental health.

Shellye Davis, President, CT AFL-CIO, Chair, Recovery For All – Ms. Davis submitted testimony in support of this bill as it makes equity central to the budget making process. As past budgets have not provided a clear definition of equity, she explained that CT has the highest rates of income inequality in the country. Ms. Davis also provided the same language revisions as Mr. Zimmerman (listed above).

Lisa Hammersley, Executive Director, School and State Finance Project – Ms. Hammersley testified supporting this bill explaining that would remedy the systemic inequities that have existed in the state for decades.

Emily Byrne, Executive Director, CT Voices for Children – The organization provided testimony in support of the bill stating that by making equity a cornerstone of the budget process from the beginning, state leaders will be better able to focus on creating systems of taxation and spending that help working and middle-class families, as well as repair generations of systemic racism and economic exclusion.

Travis Woodward, President, CSEA SEIU Local 2001 - Mr. Woodward testified to express the necessity to pass this bill, referencing Connecticut having the highest rates of income inequality in the county. He explained that with a projected FY 2022 budget surplus of more than \$1.5 billion and a Rainy-Day Fund at its statutory maximum, now is the time to make sure budget decisions are made through an equity lens. Should this bill not pass, he believes unfair policies and practices, discriminatory treatment and inequitable opportunities and outcomes will continue.

Lynne Ide, Universal Health Care Foundation of Connecticut – Ms. Ide submitted testimony to call on the legislature and Governor to embrace the goal of equity throughout Connecticut’s tax and budget policies. She referenced the current tax system being extremely regressive, with the low-income households paying up to 26% of income in taxes and middle-income households paying as much as 15.5%. She added that the top 1% of earners pay only 7.5%. Ms. Ide shared that the data also shows that the low income and middle-income households in Connecticut have paid a higher percentage of their income in taxes since 2014, while the upper-income households have experienced no change.

NATURE AND SOURCES OF OPPOSITION:

[David Godbout](#) - Mr. Godbout opposes the bill based on procedural and constitutional grounds.

Reported by: Taylor Hyde

Date: April 11, 2022