



Testimony of Louise DiCocco
Assistant Counsel
to the Spending Cap Commission
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Chairman Cibes, Chairman Widlitz, members of the Spending Cap Commission, thank you for the opportunity to testify today. My name is Louise DiCocco and I am Assistant Counsel at Connecticut Business Industry & Association (CBIA), which represents more than 10,000 large and small companies throughout the state of Connecticut. Ensuring fiscal responsibility by formulating definitions for key spending cap terms and holding the line on exemptions from the cap will have a significantly positive impact on businesses' willingness to invest here.

Twenty-four years ago, more than 80% of Connecticut voters overwhelmingly approved a spending cap to keep the cost of state government within the taxpayers' means to afford it. Voters demanded the cap as an offset to the personal income tax in Connecticut. The state must enact a spending cap that is ironclad and works. Despite the two largest tax increases in state history in recent years, Connecticut is stuck in a cycle of budget crises, with deficit after deficit. We cannot continually raise taxes to meet all spending desires. Connecticut must learn to live within its means, focus on prioritizing and providing core services in a more efficient manner, and maintain some control over budget growth.

The spending cap has always had a "safety valve" or escape mechanism. They include bonded debt service, aid to distressed municipalities and first year costs of federal or court ordered mandates. By a gubernatorial declaration and a three-fifths legislative vote, the cap can be exceeded, providing sufficient flexibility to respond to unforeseen needs. The cap to be enacted and enforceable needs to include all other spending under its umbrella as originally intended.

The definitions for "increase in personal income," and "increase in inflation," have already been adopted – awaiting definition is the most controversial: "general budget expenditures." The state's constitutional spending cap must be comprehensive and cover all state spending, including state employee pension and healthcare liabilities, as the constitutional amendment envisioned. In recent years, legislators have moved state spending out from under the cap by creatively redefining it, thereby weakening it. Defining exemptions, in a way that predictably and sustainably controls state spending, will ultimately encourage economic investment, and increase business confidence and job creation.

Thank you for your time and commitment to serving on this committee to finally set clear and enforceable definitions for the state's spending cap.

For additional information or questions, please contact Louise DiCocco, Assistant Counsel at louise.dicocco@cbia.com or Pete Gioia, V.P. and Economist at pete.gioia@cbia.com.