

House Republican Press Release

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Rep. Hamzy Urges Appropriations Committee to Support Measure to Strengthen Spending Cap



Opposes Bills to Exclude \$8.5 Billion in Expenditures for Medicaid, Medicare and Towns from Cap

With thousands of families and businesses leaving Connecticut every year because the state legislature is unwilling to keep taxes low by controlling spending, state Representative William A. Hamzy today urged the General Assembly's Appropriations Committee to support a measure to strengthen the state spending cap.

The measure (Senate Bill 320) would require a three-fifths vote of both legislative chambers to approve new definitions of the kinds of spending that should or should not be subject to the constraints imposed by the spending cap, Representative Hamzy said.

"The Appropriations Committee also should reject two proposals (House Bills 5806 and 6146) which would exclude state spending on Medicaid, Medicare and towns from the state spending cap. When those expenditures are added to existing exemptions under the expenditure cap for debt service, federal mandates and distressed municipalities, a total of about \$8.5 billion (or about 50 percent of state expenditures) would be fully exempt from the cap," said Representative Hamzy, R-78th District.

"Too often, politicians say one thing and do another. That is why the public has such a negative opinion of us. There is no better example of this than what we did with the spending cap," Representative Hamzy told the committee.

"In 1991, we did something rare," Representative Hamzy said. "We had an issue that we thought was so important, we left it in the hands of Connecticut citizens to decide what we should do - and 81 percent of the voters cast their ballots in support of a constitutional spending cap."

After voters approved the spending cap in a referendum, the state legislature "ignored it, and we continue to ignore it 16 years later and we wonder why the public doesn't trust us," Representative Hamzy said.

"It's about time we live up to the promise we made and implement the spending cap as the constitutional amendment is written," Representative Hamzy testified. "The amendment requires us to set a reasonable rate of growth on all spending, except debt service. In our statutory cap, we have opened it up to more exceptions, and the two bills I referred to before would open it even more - to the point of rendering it useless."

Supporters of the bills to exclude about \$6 billion in state spending for Medicaid, Medicare and additional aid to municipalities from the spending cap claim that it "hampers our ability to access more federal money and puts too many restrictions on our ability to spend money," Representative Hamzy said.

“The spending cap is an important tool, but I would argue that the reason for the cap is not to put unreasonable restraints on spending,” Representative Hamzy said. “Instead, the spending cap is more like an alarm that tells us we're taking too much money from families and businesses. That's why we tie the rate of spending growth to personal income growth. A strong spending cap keeps our state on strong economic ground and keeps us competitive with other states.”

“Instead of getting upset and outraged about the legislature's inability to keep taxes low by controlling spending, families and businesses are choosing to vote with their feet. That's why we've seen almost no population growth and even less job growth. This trend will continue until we make some major changes. Implementing the constitutional spending cap would be a good first step toward reversing that trend,” Representative Hamzy said.