

House Republican Press Release

September 25, 2007
Press Office: 860-240-8700

BONDS (AND WE DON'T MEAN BARRY...)



By State Representative John J. Ryan

As an astute regular reader, you know that it is supposed to be the “off season” in Hartford, but you also know that we have mentioned previously that one of the details that was not wrapped up in the regular session this year was our “bonding implementer” bill, meaning the authorization to spend the capital funds for school construction, and other large-scale, long-term items.

Negotiations between Governor Rell and the Democrat legislative majority leadership had still not reached a compromise since the session concluded, so much like with the budget issue months ago, the “supermajority” finally decided to take matters into their own hands and vote out a bonding bill last week.

And once again, indicating she is not about to be deterred by a legislative “supermajority”, Gov. Rell promptly announced that she would veto the \$ 3.2 billion bond bill just recently passed (yup, that is “Billion” with a “B”). It is true that the Governor passed up the opportunity to label this as a “steroid swollen spending plan”, but is it an issue that you should care about?

Several recent newspaper stories have pointed out that school construction projects, among other items, waiting on the bonding approvals might be delayed if this is not resolved soon. So let’s take a look at what the Governor said herself (as we have attempted to explain previously, you can look all of this up at www.ct.gov/governorrell and get the entire version and more ...) “ the bonding bill passed.....is simply unaffordable for the people of Connecticut. Connecticut is already deeply in debt. We have the third-highest bonded debt, per person, of any American state. We have the third-highest debt – yet we live in the third smallest state.”

Governor Rell went on to note that the debt burden is steadily claiming a larger percentage of the operating budget, affecting programs and services, and because the state exceeds expected bonding levels, credit rating agencies may lower our state’s rating, resulting in markedly higher interest rate charges. She added “The simple fact is that the bond commission really is Connecticut’s credit card, and we are over the limit”. Rell went on to say that the bonding bill “sends the wrong messages to the credit rating agencies. It sends the wrong message to the backers of the projects listed in the bill, since

not all the projects will be funded. And worst of all, it sends the wrong message to the people of Connecticut: That state government cannot control state spending.”

A few facts to consider:

- the bonding bill passed last week was not only \$610 million higher than Gov. Rell’s February budget proposal, it was also a ¼ billion \$\$ more than the plan approved by the legislature’s Finance, Revenue and Bonding Committee;
- and a mere ten years ago the state allocated \$660 million in general obligation bonds, last year’s total was \$1.4 billion; under the bill allocations in FY 2008 would climb to \$1.77 billion.

You might want to note the comments from Democrat legislative leaders in the media, and also those from Republicans. Governor Rell has called another Special Session for this week to act just on the school construction funding piece of this topic. Remember, these are your tax dollars that we are talking about! Please pay attention, and look up for yourself what is actually happening in Hartford!! More soon.....

As always please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, and Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegop.ct.gov or call my office toll-free at 1-800-842-1423.