



Testimony in Support of House Bill 5437: An Act Concerning Equity and the Governor's Budget

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Thank you chairs and members of the Appropriations Committee for the opportunity to testify in support of H.B. 5437: An Act Concerning Equity and the Governor's Budget. Universal Health Care Foundation's mission to accelerate the movement for health justice recognizes that health is a human right fundamentally related and core to social justice and equity.

Universal is also a member of the Recovery for All coalition, and as such, we call on the legislature and Governor to embrace the goal of equity throughout Connecticut's tax and budget policies. We must not give a nod to the word equity in speeches and in platforms, and let the status quo continue.

The current tax system in Connecticut is extremely regressive. According to a tax report on the 2019 tax year, low-income households pay up to 26% of the income in taxes and middle-income households pay as much as 15.5%. Meanwhile, the top 1% of earners pay only 7.5%^[1]. The inequity in percentage of income paid to taxes is obvious. This 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^[2].

The COVID-19 pandemic has worsened the inequities in Connecticut. Since the start of the pandemic, Connecticut's 13 billionaires have seized \$13.7 billion in additional wealth while hundreds of thousands of working people, especially working people of color, saw their lives upended and their economic security threatened^[3].

Connecticut is one of the wealthiest states in the nation and is also one of the most inequitable. It is time we made equity an actual priority, and H.B. 5437 aims to do just that. Considering the current state of equity in Connecticut, we suggest that the word "ensure" is replaced by "create" in line 9. In addition, language should be added to explicitly define equity as "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 systemically disadvantaged by race, ethnicity, gender, and physical, mental, behavioral, or developmental health." Adding this language and making these changes will ensure that the intent of this bill is fully realized.

Building an equitable Connecticut is beneficial to us all. When Connecticut is equitable, all residents will be fully able to participate in the state's economic vitality, contribute to the state's readiness for the future, and connect to the state's assets and resources. We are in the financial

position to truly prioritize economic equity in a state that is known for lacking; and it is especially important to do so for communities that have historically been held away from equitable opportunity, such as communities of color, and to rectify the cumulative and compounding effects of past decisions and policies.

H.B. 5437 is long overdue and desperately needed legislation. We urge your support in promoting equity in Connecticut through H.B. 5437 and including the language suggested in this testimony. We all must honor our commitment to equity in Connecticut and take decisive action to make positive change. Thank you.

^[1] Boughton, M.D. (February 28, 2022). *Connecticut Tax Incidence Study- Tax Year 2019*. State of Connecticut Department of Revenue Services. <https://www.documentcloud.org/documents/21282924-tax-incidence-w-cover-letter>.

^[2] Sullivan, K.B. (December 2014). *Connecticut Tax Incidence*. State of Connecticut Department of Revenue Services. <http://ctstatefinance.org/resources/uploads/files/Tax-Incidence-Report-2014.pdf>

^[3] Little, G. (March 3, 2022). *Advocates: make CT's tax code more fair*. WTIC 1080. <https://www.audacy.com/wtic/news/local/speakers-want-to-close-divide-between-rich-and-poor>

Universal Health Care Foundation of Connecticut's mission is to accelerate the movement for health justice for everybody because health is a human right and core to social justice and equity.