



## **Testimony on Senate Bill 70 (an act establishing the Connecticut Infrastructure Bank)**

Submitted by Scott Shepard, Policy Director

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Good afternoon. My name is Scott Shepard. I am the Policy & Research Director for the Yankee Institute for Public Policy, Connecticut's free-market think tank. I submit this note in opposition to **Senate Bill 70**.

Connecticut faces a series of financial difficulties, and must discover ways of doing more with fewer public resources. It is possible that an infrastructure bank might ultimately prove a useful innovation, so long as it were established in consort with the shuttering of other state programs that currently provide similar services, but less efficiently, so that overall state benefit is increased while cost is decreased. Because establishing such a bank now would put the cart before quite a few horses, however, we must oppose establishment of an infrastructure bank now.

While establishment of a bank is not now justified, Yankee Institute would support a state study to determine whether an infrastructure bank would be feasible and cost effective. Such a study should determine:

- (1) What services the infrastructure bank would perform;
- (2) How those services are now provided;
- (3) What provision of those services through an infrastructure bank would cost;
- (4) What the current methods of provision cost;
- (5) What additional benefits would be provided by an infrastructure bank;
- (6) The market value of such benefits;
- (7) What deficiencies the state would suffer by pursuing an infrastructure bank while decommissioning the current means of performing and providing those services; and
- (8) The market value of those deficiencies.

If a comprehensive study into these issues were to determine that there are services that an infrastructure bank could perform more effectively and cheaply than those services are now currently being provided, without costly losses in other areas, an establishment bill would make sense. That bill should while establishing an infrastructure bank simultaneously decommission other state programs and services that the bank would supplant, so that the result is a net savings to the state. Until then, thoughts of establishing a bank are premature.