



WYMANews

State of Connecticut
Office of the State Comptroller
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WYMANews

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WYMAN PROPOSES BILLS TO PROTECT TAXPAYERS, STATE SERVICES IN ECONOMIC DOWNTURNS

State Comptroller Nancy Wyman proposed two fiscal initiatives designed to lessen the impact of economic downturns on taxpayers and state services.

Wyman's proposals, aired at a General Assembly hearing before the Appropriations Committee, would:

- Increase the amount of surplus revenue deposited in the Rainy Day Fund as a guard against tax increases and cuts in state services during downturns.
- Deposit surplus funds to the Rainy Day Fund on a monthly basis to ensure windfall revenue is not appropriated elsewhere, and make that revenue immediately available if the budget goes into deficit.

"The unprecedented budget crisis Connecticut is now facing has spotlighted the vital importance of planning for economic downturns that are both

cyclical and inevitable," Wyman testified. "These proposals are intended to equip government with conservative, long-term fiscal policies that will lessen the impact of temporary revenue shortfalls on state programs and our taxpayers."

Wyman's first proposal, **Raised Senate Bill 1124: "An Act Increasing The Amount Of Unappropriated Surplus Deposited In The Budget Reserve Fund,"** would raise the cap on the Rainy Day Fund from 10 percent to 15 percent of the annual state budget, which totals \$18.4 billion for fiscal 2009. Over the past five years, Wyman has convinced the legislature to raise the cap from 5 percent to 7.5 percent, and again to the 10 percent level where it stands today.

The \$1.4 billion currently in the fund – representing about 8 percent of the budget - will likely be drained within ...
See Page 2

COMPTROLLER, STAFF TAKE UNPAID LEAVE TO HELP ADDRESS BUDGET DEFICIT

State Comptroller Nancy Wyman reported that she and nearly all non-union managers in her agency have volunteered to take an unpaid furlough day as a first step toward achieving payroll savings to mitigate the state's budget deficit.

At the Comptroller's request, 54 of the 58 non-union managers in her office have taken an unpaid leave day, saving a total of more than \$21,000 in payroll expenses.

"While these savings are a tiny fraction of our billion-dollar deficit, I believe it is an important and symbolic step toward the goal of shared sacrifice in dealing with this historic deficit," Wyman said. "I am also sure that this will not be the only time that our employees will be asked to do their part to help put Connecticut back on the road to fiscal recovery."



Connecticut State Capitol

Inside this issue:

Legislative News	2
New Healthcare Division	2
State Finances	3
Where's Wyman?	3
An inside look at the Comptroller's Office	4
Upcoming Events	4



E-NOTIFICATION

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NEW HEALTHCARE POLICY AND BENEFIT DIVISION

Due to the scope of health care issues pending in the upcoming legislative session, as well as OSC initiatives such as MEHIP and the HOPE Fund, I am pleased to announce the formation of a new **Healthcare Policy and Benefit Division**. The change became effective January 30th. Headed by Tom Woodruff, the division will include all of the current Benefit Division employees, as well as a few other employees who deal directly with benefits and healthcare issues. Tom will focus on statewide health policy initiatives, the administration of programs, such as MEHIP and HOPE, and he will continue to administer benefits for employees and retirees.

The Retirement and Benefits Division will be referred to as the Retirement Division, and Mark Ojakian will serve as Interim Director, in addition to his other duties as Deputy Comptroller.

We have undergone several re-organizations over the years in an effort to streamline our operations when needed. I am confident this particular change will have a positive effect on our organization, and I look forward to working with the new divisions.

LEGISLATIVE PROPOSALS - CONTINUED

Continued from Page 1

the next two years in order to address projected deficits totaling more than \$8 billion, Wyman said. A 15 percent fund under Connecticut's current budget would have created a balance of \$2.6 billion.

In her testimony, Wyman noted that between 1992 and 2008, the state appropriated \$5.7 billion in excess revenue that, if not spent on programs, would have been deposited into the Rainy Day Fund as surplus.

"I believe that now is the time to commit to making the fund an even higher priority as we create a roadmap for Connecticut's economic recovery and long-term fiscal stability," she testified.

Wyman's second proposal would allow the transfer of some projected surplus revenue to the Rainy Day Fund on a monthly basis whenever the projected surplus reaches 1% of appropriations. Any surplus revenue exceeding that 1% threshold would be transferred to the fund and be available to mitigate a shortfall if a projected surplus becomes a projected deficit as the year progresses.

"Ensuring that excess revenue is directed to the Rainy Day Fund, and raising the fund's cap to 15%, would be firm steps to strengthen fiscal protection for both government and taxpayers during the next economic slowdown," Wyman said.



**Boys & Girls Club Representative
Belden Legislative Breakfast
Hartford**



**Honoring Peter J. Valenti, a longtime
Bethel volunteer and town official**



**St Patrick's Day Celebration
New London**



**Chester Elementary School
Sixth Grade DARE Graduation**



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State Comptroller Nancy Wyman projected the state's 2009 budget deficit at \$1.017 billion, as an infusion of federal stimulus aid was offset by a continued decline in major tax revenues.

Wyman's estimate is about \$222 million lower than last month's. That is due to a deposit of about \$380 million of stimulus aid into the General Fund that was offset by steep drops in both the income tax and the sales tax.

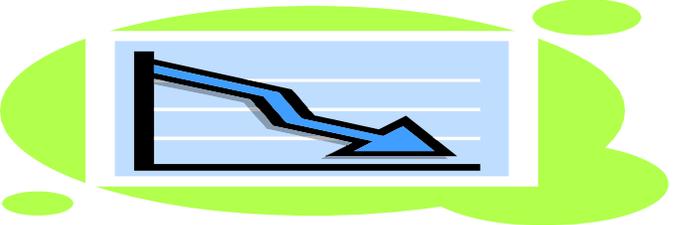
"This unrelenting revenue slide continues to accelerate as we enter the last quarter of the fiscal year," Wyman said. "Unfortunately, as time goes on the options to deal

with the deficit continue to shrink and put our \$1.4 billion Rainy Day Fund in greater jeopardy."

The current projected deficit is based on a 2009 budget of \$18.4 billion for the fiscal year that ends June 30. Wyman's estimate incorporates close to \$650 million in deficit-mitigation steps approved by the General Assembly.

The income tax was expected to bring in \$7.6 billion this year, but will likely fall nearly \$1 billion short of that target. Along with the crash of the financial markets, Connecticut has lost more than 50,000 jobs over the past year, including more

Latest State Financial Projection



than 14,000 in February alone. That will result in the state paying out about \$165 million more in tax refunds than was anticipated.

Collections of the sales tax are expected to decrease by about \$387 million from original estimates, and the corporation tax is down by about \$183 million.

Wyman's estimate is about \$350 million higher than that of the Governor's budget office, due to the Comptroller's lower projections of income tax and sales tax receipts.

Where has Wyman been lately ...



**CT Council of Small Towns
Annual Town Meeting, Rocky Hill**



**University of Hartford Magnet School
Kindergarten Class, West Hartford**



**Dept. of Development Services
Women's History Month, East Hartford**



**CT FIRST Robotics Regional
Competition, Hartford**



**Martin Luther King Liberty Bell
Celebration, Hartford**



**American Heart Association's Go Red
For Women Luncheon, Hartford**

Inside the Comptroller's Office

Retirement Services Division

As agent of the State Employees Retirement Commission, the Division administers all state pension plans except the Teachers Retirement System, providing a comprehensive package of services ranging from pre-retirement counseling to post-mortem accounting.

The Division provides counseling services to members of the pension plans it administers; manages computer, accounting, investigatory, payroll, training, record-keeping, and compliance activities attendant to the state's complex retirement programs; analyzes and implements statutory, collectively bargained, and federally mandated revisions to the pension plans within its jurisdiction; and plans and develops services on the basis of research and analysis of retirement conditions and trends.



Women's Health Conference
Mystic



Shelton's Echo Hose Company Fire
Department Annual Banquet

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MISSION

To provide accounting and financial services, to administer employee benefits, to develop accounting policy and exercise accounting oversight, and to prepare financial reports for state, federal and municipal governments and the public.



United States Senator Blanche Lincoln on Health Care

Whether it's making sure that families have access to quality health care and child care, or making sure that our children receive the best educational opportunities we can give them, we must remain committed to these needs because our children are our future.

CALENDAR OF EVENTS



APRIL

- 8—Passover Begins
- 9—American Ex-POW Recognition Day
- 10—Good Friday
State Operations Closed
- 12—Easter Sunday
- 14—CT Immigrant Day
- 24—State Bond Commission
- 24—Holocaust Remembrance Day
- 25—Commemoration of the Armenian Genocide
- 28—Workers' Memorial Day
- 25—Memorial Day
State Operations Closed

29—State Bond Commission

JUNE

- 3—General Assembly Last Day of Session
- 21—Father's Day
- 23—American Boys' State Conference
- 26—State Bond Commission
- 30—American Legion Laurel Girls State Conference

MAY

- 4—Municipal Elections (Select Towns)
- 10—Mother's Day

