



**News From:**

## **COMPTROLLER KEVIN LEMBO**

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**FOR IMMEDIATE RELEASE**

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**Contact: Tara Downes  
860-702-3308  
Tara.Downes@po.state.ct.us**

### ***COMPTROLLER LEMBO REPORTS ANOTHER REVENUE SURGE; PROJECTS YEAR-END BALANCE OF \$679.8 MILLION***

Comptroller Kevin Lembo today projected that Connecticut will end fiscal year 2011 with a General Fund surplus of \$679.8 million following another surge in state revenue since last month.

In a monthly financial report to Gov. Dannel P. Malloy, Lembo reported a \$170.2 million increase over last month's forecast.

This revenue growth enables Malloy and legislative leaders to avoid issuing unnecessary economic recovery notes, and take legislative action to repeal an electric assessment already imposed on Connecticut Light & Power (CL&P) residential ratepayers, and future charges to United Illuminating customers.

The state has collected a total of approximately \$40 million through an ongoing surcharge on CL&P residential ratepayer bills that began in January and is scheduled to continue through the end of June.

Lembo urged legislative leaders to also consider ways to refund those charges to ratepayers, if revenue trends continue upward.

"Both revenue growth and revenue shortfalls present significant policy challenges for lawmakers," Lembo said. "Governor Malloy and legislative leaders are correctly preparing to repeal a plan to borrow money unnecessarily. That deficit mitigation plan, approved last year, was supposed to be paid off through a surcharge that has appeared on electric ratepayer bills since January. Any repeal should include, if possible, refunds to impacted ratepayers."

"The revenue surge, if sustained through the next fiscal year and beyond, also provides opportunity to address several competing policy needs."

**It is vital to Connecticut's long-term fiscal stability that future surplus revenue be applied towards paying down debt and rebuilding our budget reserve."**

**Lembo said the largest revenue gains, once again, were in the income tax, the sales tax, the inheritance tax and the corporation tax.**

**These areas of growth indicate some signs of economic recovery, despite a persistent and historically high unemployment rate of 9.1 percent – which is a lagging economic indicator – and a decline in home sales in the first quarter of 2011.**

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