



News from:
COMPTROLLER KEVIN LEMBO

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COMPTROLLER LEMBO'S STATEMENT ON GOVERNOR'S PLAN TO ADDRESS BUDGET CHALLENGES

"I applaud the Governor for announcing an action plan to address Connecticut's immediate and long-term budget challenges. Refining that action plan – based on questions that I and others have – will be an important next step.

"This plan proposes significant and complex changes to Connecticut's approach to its unfunded pension liabilities, business tax structure and other policies that demand solutions. Under the right conditions, I would like to support these solutions – but they require greater detail, deeper analysis, and raise several questions that we must consider.

"First, in pulling a population of retirees (Tier 1) out of the State Employees Retirement System, liabilities are not eliminated – but shifted elsewhere. How does this liability shift affect the General Fund and state spending cap? How does it compromise federal revenue that the State Employees Retirement System receives related to fringe benefit recovery? These are only preliminary questions that we must fully explore.

"I am glad to hear about the Governor's interest, stated today, in putting the state's budget and economy on a more stable, sustainable path. In light of this, I would ask that the Governor consider working to move up implementation of my plan, approved by the legislature this year after broad bipartisan consensus, to stabilize Connecticut's revenue and budgets through the Budget Reserve Fund. Initially proposed to become effective this biennium, the implementation of my proposal was delayed until 2020. The sooner we adopt my Budget Stabilization Plan, the sooner policymakers, municipal leaders, nonprofits and businesses can all benefit from budget stability.

"I look forward to diving deeper into these proposals, providing analysis and working with the administration and legislative leaders to ultimately achieve the best possible outcome for the state after all questions are considered."

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