

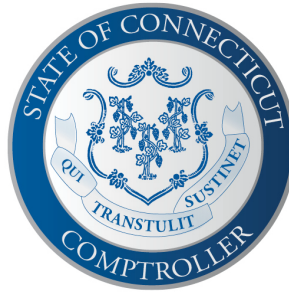
NATALIE BRASWELL

STATE COMPTROLLER



MARTHA CARLSON

DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE *of the* STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

September 21, 2022

The Honorable Shawn T. Wooden
Office of the State Treasurer
165 Capitol Avenue
Hartford, CT 06106

Dear Treasurer Wooden,

I write to inform you that the state's Budget Reserve Fund has exceeded its statutory cap following a final revenue volatility transfer in Fiscal Year 2022. The excess amount totals \$2,846,033,740 and is now available to be directed to the State Employees Retirement Fund and the Teachers' Retirement Fund, per the parameters of state law.

As you know, the Budget Reserve Fund is capped at 15 percent of current year net General Fund appropriations. In Fiscal Year 2022, General Fund revenues in volatile categories — estimated and final payments of the personal income tax and the Pass-Through Entity Tax — exceeded the state's revenue volatility cap by \$3,047,454,473. That amount is automatically directed to the Budget Reserve Fund.

That deposit brings the balance in the Budget Reserve Fund to \$6,159,413,740, or approximately 27.9 percent of General Fund expenditures. As mentioned above, because state law caps the fund at 15 percent of net General Fund appropriations (currently approximately \$3.3 billion), the excess amount above that threshold is to be used to pay down pension liabilities.

Additionally, any General Fund budgetary surplus will also be available for deposit following a final year-end audit to be completed by Dec. 31.

Please reach out to me if you have any questions. Thank you and your staff for your work.

Sincerely,



Natalie Braswell
State Comptroller