



STATE OF CONNECTICUT
SOLDIERS', SAILORS' AND MARINES' FUND
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John D. Monahan

March 1, 2011

Testimony of
John D. Monahan
before the
Select Committee on Veterans Affairs
of the
Connecticut General Assembly

Senator Maynard, Representative Hennessey, Members of the Committee:

My name is Jack Monahan, Administrator of the Soldiers', Sailors' and Marines' Fund. I come before you today to recommend enactment of legislation concerning repayment of monies used to supplement the operations of the agency from the Fund by the Comptroller.

GOVERNOR'S BILL NO. 6395 - LCO NO. 3486

**AN ACT CONCERNING INTEREST EARNED
ON THE SOLDIERS, SAILORS AND MARINES FUND**

The proposed change grants authority to the Comptroller to recoup monies paid to the SSMF. The bill envisions transferring funds only from the interest earned on the corpus, and then, only in amounts which are in excess of the appropriated budget. It would, therefore, have no impact on the ability of the agency to execute its statutory mission, assuming appropriations sufficient to the requirements. The monies were advanced to supplement operations during the last several years, years of unusually low return on the trust owing to the extremely low interest rates which prevailed.

I have attached a spreadsheet representing the agency's calculation of the legitimate repayments which should be sought by the Comptroller under the provisions of Governor's Bill 6395, if enacted. Our calculation is \$2.09m versus approximately \$4m according to the Comptroller's records. The disparity is illustrated by the spreadsheet. The Comptroller counts the monies diverted to the Department of Veterans Affairs (DVA) and the Military Department (MILDEPT) as part of the debt.

The total diverted to DVA for the purpose of headstone emplacement from FY98 to FY06 was \$1.92m. The total diverted to the MILDEPT for the provision of Honor Guards at funerals from FY03 to FY06 was \$1.22m. No diversions have taken place since 2006 after action on this issue by the Vets Affairs Committee and the Legislature. The agency supports the concept of the bill and is willing repay legitimate debt, but we do not view the stated diversions to other agencies for purposes attributable to their operations, diversions which should never have occurred, as the SSMF's legitimate debts.

I recommend adoption of the legislation, contingent on the insertion of appropriate language in the bill addressing the agency's concern and/or a clear articulation of the Committee's and the General Assembly's legislative intent that only the category of supplementary monies attributable to actual operations of the Fund be repaid.

Attachment – Supplementation of SSMF Operations FY98 to FY10

John D. Monahan

**CONNECTICUT SOLDIERS SAILORS AND MARINES FUND
SUPPLEMENTATION OF FUND OPERATIONS FY 1998 TO FY2010
FEBRUARY 2011**

FISCAL YEAR	INCOME SURPLUS (SHORTFALL)	TRANSFERS TO DVA	TRANSFERS TO MILITARY DEPT	NET SURPLUS (SHORTFALL) EXCLUDING TRANSFERS	SUPPLEMENTATION REQUIRED EXCLUDING TRANSFERS
FY 98	(147,473)	193,168	0	45,695	0
FY 99	440,947	225,490	0	666,437	0
FY 00	108,193	203,280	0	311,473	0
FY 01	345,499	152,975	0	498,474	0
FY 02	(71,787)	244,000	0	172,213	0
FY 03	(662,905)	182,368	375,895	(104,642)	104,642
FY 04	(680,648)	223,452	268,037	(189,159)	189,159
FY 05	(841,629)	249,970	269,604	(322,055)	322,055
FY 06	(1,055,124)	249,995	306,803	(498,326)	498,326
FY 07	(470,844)	0	0	(470,844)	470,844
FY 08	(267,000)	0	0	(267,000)	267,000
FY 09	(101,368)	0	0	(101,368)	101,368
FY 10	(131,346)	0	0	(131,346)	131,346
TOTALS		1,924,698	1,220,339		2,084,740