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WRITTEN TESTIMONY
Kevin Lembo
State Comptroller

**Concerning Governor's H.B. 5015 AA Making Deficiency Appropriations for the
Fiscal Year Ending June 30, 2012**

March 27, 2012

Senator Harp, Representative Walker, Senator Kane, Representative Miner and
Members of the Committee:

Thank you for the opportunity to provide information on the sections of H.B. 5015—AA
Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2012 that impact
my office.

Section one of the bill appropriates \$2.1 million from the General Fund to my office's
Miscellaneous Fund for the Adjudicated Claims account. The Adjudicated Claims
account is used to pay unforeseen court-ordered judgments and stipulated agreements,
which are certified by the Office of the Attorney General. Examples of such payments
include wrongful injury claims against state agencies, discrimination claims, personnel
claims and other miscellaneous claims against the state. In addition, monthly and
quarterly court ordered fees for the monitoring of DCF and Southbury Training School
as well as death benefits for state employees, state officers and members of the
General Assembly under C.G.S 5-144 are paid through this account.

The cost of adjudicated claims varies from year to year. Yearly costs over the last five
years have reached over \$15 million; in the past, the account was not budgeted, but
was funded through the resources of the General Fund.

When this became a budgeted account in the current biennial budget, OPM
appropriated \$4 million. To better reflect the fiscal year expenditures, I understand that
this section of the bill will be adjusted to \$3.5 million, which will bring the total FY 2012
budgeted amount to \$7.5 million. I respectfully request your support for this increased
appropriation.

Section three of the bill appropriates \$1.8 million from the Special Transportation Fund
to my office's Fringe Benefits Account for Employee Retirement Contribution. The State

Employee Retirement System accounts – both General Fund and Transportation Fund – normally do not experience a deficit or a surplus. Simply, the appropriation is divided by 12 equal monthly payments, and the account ends the fiscal year with a “zero balance.”

This year, the accounts were both subject to OPM holdbacks, due to negotiated savings as a result of the 2011 SEBAC agreement. However, a revised valuation of the actuarial requirements has resulted in additional funds being required for the current fiscal year. These additional funds will be released from General Fund and Transportation Fund holdbacks. It is, therefore, not anticipated that a deficiency will result and this appropriation is not necessary.

Thank you for your consideration.