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Kevin Lembo
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WRITTEN TESTIMONY
Kevin Lembo
State Comptroller

Concerning
HB 6351 AA Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2013

March 25, 2013

Good afternoon Senator Harp, Senator Kane, Representative Walker, Representative Miner, and members of the Appropriations Committee:

For the record, I am State Comptroller Kevin Lembo, and I am here this afternoon to deliver remarks on *HB 6351, AA Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2013.*

As you may know, the Office of the State Comptroller has been included in this bill because of forecasted deficiencies in both its Personal Services and Other Expenses lines due to what I believe are oversights in the budgeting process.

The Personal Services deficiency of slightly over $900,000 can be traced to the Deficit Mitigation bill passed in December, where our agency PS line was cut $829,859 in error.

The Other Expenses deficiency of approximately $635,000 is the direct result of the annualization of FY2012 holdbacks and the distribution of the lapse included in the FY2013 Governor's Budget, despite repeated communications that our CoreCT contractual obligations needed full funding. In addition, my agency OE line was even further reduced by $170,901 in the Deficit Mitigation plan passed in December. While the OSC deficiency was initially reported as over $1.7 million, we have undertaken – and continue to implement – prudent measures to help minimize the impact, and we are in agreement with the OPM figure of $1.5 million as stated in OPM Secretary Barnes's testimony.

Finally, the statewide Adjudicated Claims account is once again on track to exceed the levels set forth in the state budget. The Office of the State Comptroller and the

Office of Policy and Management are aware of settlements which may total over $3.3 million beyond the budgeted line amounts. As I have testified on previous occasions, this account is not one for which expenditures can be easily predicted or controlled and consequently need to be included in this bill.

Thank you for your time. I would be happy to answer your questions.

Attachment – History of OSC OE Deficit

$4,020,735	Amount approved in 2nd Year of Biennial Budget (PA 11-6)
($506,250)	Reduction in Governor's Midterm Adjustments (explanation: Annualization of FY2012 Holdbacks)
($96,439)	Reduction in APP Budget (explanation: Distribution of Governor's FY2013 Lapse)
$3,418,046	Total Appropriated Balance
$3,882,318	OSC OE Expenditures – FY 2013
($464,272)	Deficit as of July 1, 2012
($170,901)	Further Reduction in December 2012 Deficit Mitigation Legislation
($635,173)	FY2013 OSC OE Deficit