



State of Connecticut

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September 1, 2015

The Honorable Kevin Lembo
State Comptroller
Office of the State Comptroller
State of Connecticut
55 Elm Street
Hartford, Connecticut 06106

Dear Comptroller Lembo:

I hope that this letter finds you well. I am writing today after reading your letter to the Governor dated September 1, 2015 on the execution of the enacted fiscal year 2016 budget. In your letter you state you are generally in agreement with the Office of Policy and Management's opinion that fiscal year 2016 will end in the black as enacted by the legislature with a slim \$800,000 surplus.

In the words of Yogi Berra, It's like déjà vu all over again. Almost exactly a year ago you predicted we would end fiscal year 2015 with a \$300,000 surplus. Instead, after a series of rescissions, we still closed out the year with a deficit. Now we have yet another prediction based on shaky numbers that a surplus is in our future. When will we learn that the same economic policies employed over and over again are not working?

I hope that you are right and that Connecticut will see a surplus at the end of this fiscal year. But looking at the facts, I believe you are wrong. Here's why:

- The enacted budget relies upon \$147.7 million in debt service "savings" from the accumulation of very aggressive assumptions on premium payments that will be received by the state,
- The enacted budget assumes that the Department of Corrections will be able to shed 140 positions and achieve \$12.5 million of savings from the implementation of the Second Chance proposals, these savings were originally believed to be unachievable by the non-partisan Office of Fiscal Analysis,

The Honorable Kevin Lembo
September 1, 2015
Page 2

- The enacted budget assumes \$10 million in overtime savings without modifying the overtime system in any way to allow this savings to be achieved,
- Relying on testimony provided by the Connecticut Lottery Corporation, the enacted budget assumes unrealistic collections from keno especially in the first year of implementation.

Of course these are all in addition to possible holes in the collection from License, Permits and Fees as well as the very large \$200 million lapse savings targets which you correctly identify in your letter.

Given the above, I am sure you can appreciate our utter confusion as to how you can say that this budget will end with a positive balance barring some miracle. The state will once again end in a deficit. I am so sure of this in fact that I am willing to bet on it, and whoever is right owes the other dinner. I am typically not one to enter into a bet lightly and this will be the first bet I hope I don't win. However in this case, when you look at the numbers, it will be tough one to lose.

I look forward to your acceptance of this friendly little wager.

Sincerely,



Len Fasano
Senate Minority Leader