



News from:
COMPTROLLER KEVIN LEMBO

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**COMPTROLLER LEMBO APPLAUDS UNANIMOUS FINANCE
COMMITTEE VOTE THAT ADVANCES PROPOSAL TO
STABILIZE STATE BUDGETS THROUGH BUDGET RESERVE
FUND**

Comptroller Kevin Lembo commended the General Assembly's Finance Committee for unanimously voting today in favor of his proposed legislation that will stabilize Connecticut's future budgets to avoid crisis-driven tax increases, program cuts and reduction in aid to towns and cities.

Lembo said the vote follows a forum and public hearing on the bill, held last week, where it received unanimous and bi-partisan support – with no testimony in opposition to it.

Senate Bill 1135, An Act Establishing a Sustainable Path for Maintaining the Budget Reserve Fund and Reducing the Effect of Revenue Volatility on the State Budget, would adjust Connecticut's Budget Reserve Fund, also known as the Rainy Day Fund, to require automatic deposits whenever the most volatile tax revenue streams – the estimated and final payments portion of the income tax, and the corporations tax – produce revenue above historic norms.

“Today's vote by the Finance Committee reflects the broad, bipartisan support for budget stability,” Lembo said. “This proposal – making changes to the Budget Reserve Fund deposit formula – will put the state in a better position leading into the next recession, requiring fewer crisis-driven budget cuts, tax increases or reductions in aid to towns and cities.

“Had such a deposit formula been in place since the inception of the income tax,

Connecticut would have had a strong recessionary seawall in place – large enough to escape emergency tax increases or damaging program cuts.

“I am grateful to the Finance Committee for confirming its support for stabilizing our state budget – and hope for continued bi-partisan support by both the House and Senate. I would like to especially thank the committee co-chairs, state Sen. John Fonfara, D-Hartford, and state Rep. Jeff Berger, D-Waterbury, ranking members state Sen. Scott Frantz, R-Greenwich, and state Rep. Christopher Davis, R-Ellington, and all members of the committee, including state Rep. Vincent Candelora, R-North Branford, who has been working on this issue.

“I also appreciate the informative presentations made at last week’s forum by representatives from The Pew Charitable Trusts, Connecticut Voices for Children and Yankee Institute for Public Policy.”

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