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**Written Testimony of
Comptroller Kevin Lembo
April 10, 2017**

**Concerning
Governor's Bill 7026: An Act Making Deficiency Appropriations for the Fiscal Year Ending
June 30, 2017**

Good morning Senator Osten, Representative Walker, Senator Formica, Representative Ziobron, and members of the Appropriations Committee:

Thank you for giving me this opportunity to submit written testimony on Governor's Bill 7026: *An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2017.*

The Office of the State Comptroller (OSC) has been included in this bill because of forecasted surpluses in the miscellaneous and fringe benefits accounts in the General Fund.

The surplus in the Active Healthcare account is due to the following: When the FY17 budget was initially developed, it was assumed that our active population would remain flat. As a result of layoffs and attrition the active population has decreased. Additionally, we are seeing some savings from the non-bargaining member employee share change to 18%.

The surplus in the Retiree Healthcare account is due to the following: When the FY17 budget was initially developed, it was assumed that the growth in the retiree population would increase at a steady rate throughout the fiscal year. While we have experienced the increase in population that was anticipated, the increase has come for the most part, in the latter portion of the fiscal year, rather than gradually increasing. This has resulted in a lower state share expense over the first six months of the year than anticipated.

The surplus in the Social Security is due to the following: As a result of layoffs and attrition the active population has decreased.

At this time, we are comfortable with being able to meet anticipated expenses with the proposed reductions in these accounts.

Thank you for your time.