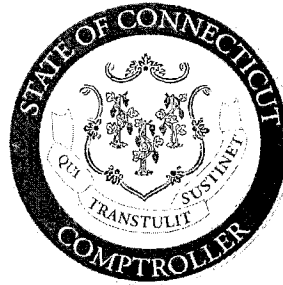


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**Written Testimony of  
Comptroller Kevin Lembo  
March 4, 2015**

**State Comptroller and Miscellaneous Accounts Budget Presentation for Appropriations  
Committee**

Good Afternoon Senator Bye, Representative Walker, Senator Kane, Representative Ziobron, and Members of the Appropriations Committee:

For the record, I am State Comptroller Kevin Lembo, and I am here this afternoon to testify on the Governor's Recommended Biennial Budget for the Office of the State Comptroller (OSC), and the Miscellaneous Accounts administered by the Comptroller's Office.

With regard to our agency budget, the level of funding recommended for Personal Services (PS) puts a significant strain on OSC functions which will impact our service delivery and, potentially, that of many other state agencies. For our Operating Expenses (OE) budget, although the cuts are deep, we believe we can operate within them.

As you already know, Core-CT is the state's financial 'beating heart,' responsible for all aspects of settling the state's debts, including vendor payments, employee/retiree payroll and healthcare benefits, grants, and most other fiscal transactions our state agencies perform. As such, any disruption in Core-CT would inhibit the ability of State agencies to provide services in a timely manner.

Since its implementation in 2003, the capabilities of Core-CT have been dramatically leveraged to meet the evolving needs of our state and quasi-public agencies. Those requests include complex project management for DOT and improved staff scheduling capability for DESPP, and DOC, as well as numerous business function improvements for other individual agencies including projects and contracts administration, vendor self-service, employee self-service and eliminating hundreds of thousands of pages of printing each year.

With billions of rows of data and 8000 transactional users initiating over 4,000 financial and human resource processes per hour, Core-CT is one of the largest and most stable enterprise systems in the country, and serves as a model for other states. As Connecticut's financial infrastructure, its continued stability is my top priority.

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However, the level of staffing provided for in this budget poses a significant risk to the system's stability and the other central-office functions of my office. In the fall, I had asked for several new positions to be established to accommodate the increased load on Core-CT functions and to develop in-house talent for purpose of succession planning for Core-CT's original leadership team. This budget does not include those new positions and defunds 12 of my current vacancies. As a result, I will need to make significant changes to the focus of my staff.

There are two mission-critical priorities on which we will need to concentrate all our resources: keeping Core-CT functioning optimally, and the continued implementation of our pension system in Core-CT. As you know, the paper processing of retirement applications has caused a significant and growing backlog in final audits for our retirees and the technology is now available to take our pension system online. This initiative will also result in long-term savings for our state.

While concentrating on these two priorities, we will simultaneously need to dramatically reduce our support for many agencies' projects that intersect with Core-CT, including:

- OPM's Business Intelligence (StarS) project
- DAS's E-recruit project, a functionality that would streamline the state's hiring process
- DAS's enhanced e-procurement functionality
- OPM's initiative to establish a Contract Management System for State Health and Human Service Agency Contracts with Community Providers
- DEEP's effort to improve utility invoice processing;
- DSS's interest in implementing certain Core-CT functionalities.

In addition, we are about to embark on a full implementation of UCONN's H/R system into Core-CT. Although the bonding of that project anticipates augmenting our staff during implementation, the reduction of our underlying staff in OPM's budget may impact the time it takes to implement UCONN and will certainly have an effect in the out years in terms of production support.

OSC is dedicated to finding operating efficiencies, creating savings and providing greater transparency in government. Some of our more recent successes include streamlining the audit process for purchase orders of \$1 million or more; increasing vendor participation in ACH (direct deposit) to reduce printing and postage; transferring retirees health care to an Employer Group Waiver Program (EGWP), which saved the state over \$20 million annually while maintaining the same high level of coverage and care; selecting a new dental carrier that drastically reduced annual costs over the previous contract; and launching -- at no cost to taxpayers -- Open CT, a new, user-friendly website that provides greater transparency on government spending.

We continue to work hard to deliver the best quality service to state employees, retirees, vendors, municipalities, state agencies and the public-- given the limited resources we have in these challenging fiscal times. We have an extraordinary staff with a track record of finding ways to successfully accomplish our base business, while at the same time implementing large projects-- all with the understanding of "doing more with less."

I fully appreciate the pressure you are under in evaluating this budget, but I do feel obligated to make you aware of the significance of reducing support for my office.

Regarding the Miscellaneous Accounts administered by our office, we believe the funding level is reasonable.

Thank you very much for your time. I am pleased to answer any questions that you may have.