

State of Connecticut

DENISE L. NAPIER
TREASURER



Hartford

January 17, 2017

The Honorable Benjamin Barnes
Secretary
Office of Policy and Management
450 Capitol Avenue, MS# 55SEC
Hartford, CT 06106-1308

Ben
Dear Secretary Barnes:

This letter is in response to your request that I identify potential savings for FY 18 in my office's operating budget. Our analysis has been delayed, in part, due to the long-term absence of our business manager. In addition, our options are hampered by the small percentage – under three percent – of our operations that are paid from the General Fund. We also are concerned with our ability to absorb large pay-outs of leave balances with an unusual number of retirements that may occur in response to a potential change in pension benefits. This is of particular concern given that 56 percent of our staff members are 55 years of age or older.

Nevertheless, I understand the need to economize in these tight fiscal times, and certainly respect the difficult task you have in developing a balanced budget proposal.

Accordingly, I have instructed my staff to plan on a reduction of \$105,000 from our FY 18 General Fund personal services baseline budget of \$3,034,513 that was submitted in September in compliance with your directions of August 5th. This 3.5 percent reduction will force us to leave some authorized positions unfilled, but I request that you allow us to maintain the authorized positions in order that we have operating flexibility.

Should you or your staff have any questions regarding this issue, please feel free to contact my Deputy Treasurer Larry Wilson.

Sincerely,

A handwritten signature in blue ink, appearing to read "Denise", is written over a faint circular stamp.

Denise L. Nappier
State Treasurer