



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: Thursday, October 1, 2020
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TREASURER WOODEN ANNOUNCES DECISION TO TRANSFER BUDGET RESERVE FUND EXCESS TO THE STATE EMPLOYEES' RETIREMENT FUND

*Governor Lamont Praises State's Achievement; Fiscal Discipline
Protecting Connecticut's Rainy Day Fund Provides Opportunity to Pay
Down Long-Term Pension Liabilities*

Hartford, CT-- Today, Connecticut State Treasurer Shawn T. Wooden, joined by Connecticut Governor Ned Lamont, announced his decision to contribute the excess amount in the Budget Reserve Fund (BRF) to the State Employees' Retirement Fund (SERF). Whenever the amount in the BRF equals 15% of the net general fund appropriations for the current fiscal year the excess is to be transferred to either the State Employees' Retirement Fund (SERF) or the Teachers' Retirement Fund. Following the release of the State's preliminary financial statements for Fiscal Year 2020 last week, Treasurer Wooden has decided to transfer the balance above the BRF's statutory 15% limit, currently estimated to be approximately \$61.6 million, to the SERF. At 38.2%, the SERF has the greater unfunded service liability.

"As Connecticut continues to realize the financial impacts due to the ongoing economic shockwave of the pandemic, the growth of the State's BRF is a direct result of smart policy and fiscal discipline that has been practiced over the last few years," said Treasurer Wooden. "While we continue to responsibly pay down pension liabilities and work to put the State on a sustainable course, Connecticut must also be forward-thinking in its approach and look to new opportunities that can grow our economy, generate significant job creation, and offer a path to a strong and sustainable economic recovery. In the midst of a \$2.1 billion looming budget deficit projection for Fiscal Year 2021 and the resulting deficit mitigation measures that will be required, the time is now for government leaders to think ahead to how Connecticut can create new revenue streams for the State and municipalities."

Since Treasurer Wooden's first day in office, he has prioritized protecting the BRF. The BRF exceeding the statutory limit of 15% demonstrates that consistently focusing on fiscal discipline across state government, despite ongoing challenges resulting from the pandemic, produces good policy objectives.

“Fiscal responsibility is one of the traits that gives confidence to all of our residents that we are utilizing their taxpayer dollars the right way,” said Governor Ned Lamont. “This announcement today shows how our state has prioritized protecting the state’s budget reserve, while also making investments in Connecticut that we know will pay off in the future. Paying down pension debt sends a clear message to all of our residents, businesses, and non-profits that our state is taking seriously the task of providing as much predictability as possible when it comes to our state’s finances.”

Connecticut leaders are now tasked with developing urgent and long-term fiscal solutions to maintain and enhance critical services for those in need, particularly our most vulnerable residents and communities that existed prior to the pandemic. Connecticut is now facing even steeper economic hardships as revealed from a recent study done by [The Center for Budget and Policy Priorities](#).

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About the Office of the State Treasurer

Under the leadership of Connecticut’s State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state’s financial resources and taxpayers’ dollars, while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state’s fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).