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**TRUE CONNECTICUT TAXPAYER BURDEN IS \$63.5 BILLION**  
**Connecticut's "Financial State of the State"**

**Chicago, (May 6, 2011)** -- Today, the [Institute for Truth in Accounting](http://www.truthinaccounting.org) and the [Comeback America Initiative](http://www.comebackamerica.org) released Connecticut's "[Financial State of the State](http://www.truthinaccounting.org)." After an intensive review of the State's [2010 audited financial report](http://www.ct.gov/audit) the Institute determined the state is in a precarious financial position, because it does not have the funds available to pay over \$63.5 billion of the state's commitments as they come due. **Each taxpayer's\* share of this financial burden equals \$49,000.**

Connecticut state law requires a balanced budget. "If governors and legislatures had truly balanced the state's budget, no taxpayer's financial burden would exist," said Sheila Weinberg, Founder and CEO of the Institute for Truth in Accounting (IFTA). She continued, "A state budget is not balanced if past costs, including those for employees' retirement benefits, are pushed into the future."

While Connecticut reported total assets of \$29.7 billion, the Institute's review of the state's 2010 financial report revealed that there are **\$44 billion of off-balance sheet retirement obligations**. More than \$18.7 billion of the State's assets cannot be easily converted to cash to pay State bills of \$74.5 billion as they come due. These assets consist of capital assets, including infrastructure, buildings and land, and assets the use of which is restricted by law or contract. ***The State does not have the funds needed to pay for \$63.5 billion of state obligations.***

Many of the obligations relate to state employees' pension and retirement healthcare benefits. Years of over-promising retirement benefits, while not setting aside sufficient assets to cover them, have resulted in the state's retirement systems being underfunded by \$50.5 billion. This is an increase of more than 20% since June 30, 2008, the last time the state's actuaries valued the underfunding. At that time the underfunding was \$41.9 billion.

David M. Walker, Founder and CEO of the Comeback America Initiative (CAI) stated, "Connecticut's finances are deteriorating and our state is on an imprudent and unsustainable fiscal path. We need to achieve major transformational reforms in connection with the state's organizations, operations, obligations, spending programs, tax policies, regulatory approaches and economic development practices in order to put the Constitution State on a more prudent and sustainable path."

The Connecticut "Financial State of the State", available at [www.truthinaccounting.org](http://www.truthinaccounting.org) and [Connecticut.StateBudgetWatch.org](http://Connecticut.StateBudgetWatch.org) provides this accounting by outlining the financial situation of the State, including unfunded liabilities to the State's retirement systems. Additional information on Comeback America Initiative (CAI) can be found at [www.tcaii.org](http://www.tcaii.org).

\*The number of taxpayers is based on the number of federal tax filers with a tax liability. This approximates the number of households in the state.

## **About the Institute for Truth in Accounting**

The Institute for Truth in Accounting (IFTA) is dedicated to promoting honest, accurate, and transparent accounting at all levels of government and business. As a non-partisan, non-profit organization, the IFTA works to expose accounting deficiencies while promoting better, more accessible delivery of accurate government financial data—and, in turn, providing a foundation for more informed public policy. The IFTA provides its expertise to develop more effective accounting standards and deliver accurate government financial information to policymakers, opinion leaders, and citizens, so they can all work for a more secure financial future.

## **About CAI**

The Comeback America Initiative (CAI) is a Bridgeport, CT based non-profit organization that promotes fiscal responsibility and sustainability by engaging the public and assisting key policymakers on a non-partisan basis in order to achieve solutions to America's fiscal imbalances. CAI's goal is to foster a national discussion around the themes in the book "Comeback America," with an emphasis on various specific policy, operational and political reforms to put government on a more prudent, sustainable and accountable fiscal path. The organization's primary focus is federal fiscal issues; however, it will also highlight the larger national fiscal challenge and engage in certain reform initiatives in selected states (e.g., Connecticut) and cities (e.g., Bridgeport, CT).

