



**Ned Lamont**  
GOVERNOR  
STATE OF CONNECTICUT

**STATE OF CONNECTICUT**

**DECLARATION OF THE EXISTENCE OF EXTRAORDINARY CIRCUMSTANCES**

**BY HIS EXCELLENCY**

**NED LAMONT, GOVERNOR**

Pursuant to Article XXVIII of the Amendments to the Constitution of the State of Connecticut and Sections 2-33a and 2-33c of the Connecticut General Statutes, I, Ned Lamont, Governor of the State of Connecticut, hereby declare the existence of extraordinary circumstances necessitating expenditures in excess of the general budget expenditure cap for the fiscal year ending June 30, 2026.

This declaration is based on the following:

**1. Medicaid Deficiency:**

Despite administrative efforts to control costs and maximize federal reimbursements, the Department of Social Services has projected a deficiency of \$80,000,000 in the Medicaid program for the fiscal year ending June 30, 2026, due to expenses exceeding appropriated amounts.

**2. Impact on Over 900,000 Residents:**

Medicaid provides health coverage to over 900,000 Connecticut residents, including children, older adults, individuals with disabilities, and low-income families, ensuring access to critical health care services across the state.

**3. Threat to Access to Care, Health Outcomes and Federal Funds:**

Absent action, the state will lack sufficient appropriations by \$80,000,000 to make timely payments to hospitals, physicians, behavioral health providers, nursing homes, and other healthcare professionals, thereby threatening the delivery of medical care and risking worsened health outcomes, increased long-term costs, and loss of federal matching funds.

860-566-4840 • [Governor.Lamont@ct.gov](mailto:Governor.Lamont@ct.gov)  
[www.governor.ct.gov](http://www.governor.ct.gov) • [@GovNedLamont](https://www.instagram.com/GovNedLamont)

**4. Support for K-12 Public Schools:**

Executive Order No. 26-3 establishes the Governor's Blue-Ribbon Commission on K-12 Education Funding and Accountability, which will develop a strategic plan to provide the resources necessary to support student success throughout the state and hold districts accountable for delivering high quality educational experiences. The Commission is scheduled to submit its plan to the Governor and General Assembly by January 15, 2027. While the Commission conducts its work, additional state funding should be made available during the fiscal year ending June 30, 2027, to support K-12 public schools so that Connecticut can continue to be a national leader in public education.

**5. Additional Support for Municipalities:**

In addition to providing additional resources to municipalities to support public education, the state should continue to invest in municipal aid to ensure that our unique towns and cities can continue to be incredible places to live and work.

**6. Federal Cuts Response Fund:**

Special Act 26-1 established the Federal Cuts Response Fund and appropriated the balance in that Fund for the purpose of responding to the policy impacts of P.L. 119-21 and mitigating any action or inaction by the federal government that results in a reduction in funding for any program in this state. The circumstances that led to the appropriation from that Fund continue to exist and it is prudent to set aside additional funds for those same purposes.

**7. Availability of Resources:**

The state is projected to receive volatile revenues in excess of the volatility cap established by established by section 4-30a(a) of the general statutes by more than \$2,000,000,000 during the fiscal year ending June 30, 2026. Volatile revenues in excess of the cap are not deposited in the General Fund. Such excess volatile revenues are more than sufficient to (1) address the Medicaid deficiency of \$80,000,000, (2) supplement state assistance for K-12 public schools by \$183,000,000, (3) supplement the state resources made available to municipalities through grants-in-aid by \$100,000,006, and (4) supplement the funds set aside in and appropriated from the Federal Cuts Response Fund by \$50,000,000.

## 8. Pending Legislative Action:

Senate Bill 1, as amended by LCO No. 5762, provides for additional appropriations for the fiscal year ending June 30, 2026, of (1) \$80,000,000 to fund the Medicaid deficiency in section 471, (2) \$183,000,000 to supplement state assistance for K-12 public schools in section 390, (3) \$100,000,006 to supplement the resources made available to municipalities through grants-in-aid in section 464, and (4) \$50,000,000 to supplement the funds set aside in and appropriated from the Federal Cuts Response Fund in section 490.

Accordingly, I declare that it is reasonable and prudent to expend state resources, in excess of the amount of general budget expenditures allowable under Article XXVIII of the Amendments to the Constitution of the State of Connecticut and Sections 2-33a and 2-33c of the Connecticut General Statutes, from the resources of the General Fund for the fiscal year ending June 30, 2026, in the amount of \$80,000,000 to address the Medicaid deficiency. This additional expenditure of \$80,000,000 shall be considered general budget expenditures for the fiscal year ending June 30, 2026, for the purposes of determining general budget expenditures for the fiscal year ending June 30, 2027.

Moreover, I also declare that it is reasonable and prudent to expend state resources, in excess of the amount of general budget expenditures allowable under Article XXVIII of the Amendments to the Constitution of the State of Connecticut and Sections 2-33a and 2-33c of the Connecticut General Statutes: (1) from the resources of the General Fund for the fiscal year ending June 30, 2026, in the amounts of (A) \$183,000,000 to supplement state assistance for K-12 public schools, and (B) \$100,000,006 to supplement the state resources made available to municipalities through grants-in-aid; and (2) from the resources of the Federal Cuts Response Fund for the fiscal year ending June 30, 2026, in the amount of \$50,000,000 to supplement the funds previously set aside in and appropriated from said Fund. These additional expenditures of \$333,000,006 shall not be considered general budget expenditures for the fiscal year ending June 30, 2026, for the purposes of determining general budget expenditures for the fiscal year ending June 30, 2027.

This declaration is submitted to the General Assembly for acknowledgment in accordance with Article XXVIII of the Amendments to the Connecticut Constitution and Sections 2-33a and 2-33c of the Connecticut General Statutes.

Dated at Hartford, Connecticut, this 2nd day of May 2026.

*Ned Lamont*

**NED LAMONT**  
Governor

CONNECTICUT  
SECRETARY OF THE STATE  
COMPTROLLER'S OFFICE

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860-566-4840 • [Governor.Lamont@ct.gov](mailto:Governor.Lamont@ct.gov)  
[www.governor.ct.gov](http://www.governor.ct.gov) • [@GovNedLamont](https://twitter.com/GovNedLamont)