

FY 2002 – 2003
GOVERNOR'S
MIDTERM BUDGET ADJUSTMENTS



CONNECTICUT

JOHN G. ROWLAND, GOVERNOR
FEBRUARY 6, 2002



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INTRODUCTION

Facing the Economic Realities of Our Times

Few would question that the events of September 11, 2001 changed America forever. The deadliest and most sinister terrorist attack to ever hit American soil will have long-lasting impact on the way Americans go about their lives.

The economic impact of the terrorist attacks was immediate and far-reaching. The National Bureau of Economic Research declared recently that the longest ever national economic expansion, which lasted ten years, officially ended last March. Despite that bad news, there was every reason to believe that the nation and the state were on the verge of recovery early last Fall, with analysts predicting growth by late December 2001 or early 2002.

The attacks in New York, Virginia, and Pennsylvania, however, battered the nation's confidence and seriously undermined the sense of economic and personal security that we as a people and a nation have for so long taken for granted and for which we rely on to grow and prosper. Consumer and business confidence, which seemed to be on the rise, quickly receded and the equity markets fell sharply. The recession we were in immediately became longer and much deeper.

While America and Americans may never be the same, there are hopeful signs for the economy. Americans and businesses appear to be adjusting. Confidence appears on the rise again and economists suggest the downturn may cease beginning sometime in the late spring or early in the second half of the current year. The historic low interest rates have served to bolster home starts and sales and car purchases.

Connecticut was by no means immune from terrorism's fallout. Because the state is heavily reliant on capital gains for its income tax receipts and sales tax activity, state government revenues dropped precipitously. A gap of several hundred million dollars opened up in the current fiscal year, with a shortfall in the FY 2002-03 adopted budget of about \$633 million anticipated. The state's insurance, health care and manufacturing sectors have suffered from the terrorist aftershocks.

Nonetheless, Connecticut has endured: its newly diversified economy has been reasonably resilient (especially compared with the early 1990s experience) and the state budget situation, while murky, looks significantly better than a number of our neighbors and the vast majority of states.

Much of the credit for the economy's staying power goes to the presence of the constitutional spending cap and the fiscal discipline it brought to state government. The cap controlled our appetite to spend and prevented the state from spending well beyond long-term means. Without it, surely growth would have mirrored the 1980s and early 1990s and our fiscal problems and the economic consequences would have been chillingly similar to the record deficit of FY 1990-91.

If Connecticut acts cautiously, it will emerge from the recession well placed to grow and prosper. But it will take discipline and discernment to pass a budget that reflects the economic realities of our times. Refusing to face up to them will only cloud the budget and economic picture moving forward.

Thus far, under the strong leadership of Governor Rowland, Connecticut has mitigated the size of its deficit in the current fiscal year. As long as revenues do not erode further, the Governor's deficit mitigation plan, which includes reallocation of a portion of last fiscal year's surplus from spending programs to cover a portion of the revenue gap, would mean a deficit of \$122.6 million or less than 1 percent of overall expenditures. The state would hit the Rainy Day Fund for just 20 percent of reserves.

Adopting such a plan is imperative to ensure a sufficient Rainy Day Fund to fall back on in the future if economists are wrong and a recovery is not on the near horizon. Rejecting the Governor's plan will mean depleting one half of the reserve fund, which would send a message of recklessness to rating agencies and investors in state bonds.

Similarly, the Governor's proposed adjusted budget for next fiscal year balances the needs of state residents, many of whom are suffering the fallout of the recession, while ensuring budgetary balance in a reasonable fashion. It mixes a healthy dose of spending reductions with permanent revenue enhancements and some reasonable one-time revenues to responsibly weather what is anticipated to be the few remaining months of the recession.

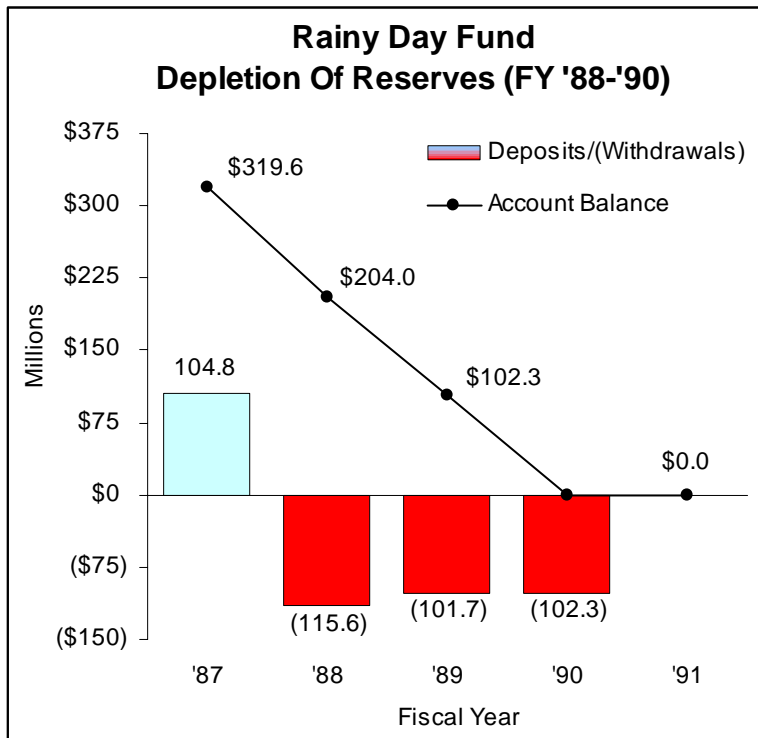
The Governor's adjusted FY 2002-03 budget does not stoop to prospectively appropriating Rainy Day funds to balance the budget from the outset, as was done leading up to the FY 1990-91 billion-dollar deficit crisis. Such a proposal, in concert with a major current year drawdown, would exhaust reserve funds and place us in great jeopardy financially and economically.

Further, such an alternative does not recognize the realities of our times; like the late 1980s and early 1990s, it ignores them and would squander the fruit of the fiscal discipline that has placed Connecticut in the position to emerge from the recession as an even stronger and vital force in the nation's economy.

Lessons learned from the 1980s Raiding of the Rainy Day Fund

Governor Rowland has stated emphatically over the past several weeks and months that tapping the Rainy Day Fund should be a last resort only after other necessary steps have been taken to mitigate the FY 2001-02 deficit. As such, he has developed a mitigation plan over the past many months that hopefully will mean a minimal \$122.6 million transfer from the Rainy Day Fund this fiscal year to cover a year-end deficit.

More importantly, he has argued vociferously that the Rainy Day Fund should not be tapped prospectively. That is, he opposes the position of some lawmakers who wish to remove monies from the reserve fund to balance the FY 2002-03 budget before the start of the fiscal year so as to avoid making any substantive cuts.



No doubt, the Governor's position will come under attack as the legislature debates spending reductions and their potential impact on the citizenry. "Removing monies from the Rainy Day Fund to prevent cuts is the humane thing to do," many of them will declare. But to do so starts the state down one slippery slope. The Governor's cautious and prudent position on use of the Rainy Day Fund – use it only after all efforts to reduce the deficit by other means have been exhausted and when unforeseen circumstances continue to swell the shortfall – is justified when one reflects back on the experiences of the late 1980s and early 1990s.

Back in the boom days of the 1980s, the state built itself a Rainy Day Fund that peaked at 5 percent of general fund expenditures. As of the end of

FY 1986-87 – when \$104.8 million was deposited in the Rainy Day Fund – the state had a total of \$319.6 million set aside for exigencies.

INTRODUCTION

Because of explosive spending growth rates during that time, under-budgeting of expenditures and over-estimation of revenues, the state recorded four deficits in a row. In FY 1987-88, the state registered a deficit of \$115.6 million and had to draw down that amount from the Rainy Day Fund.

During the 1988 session, not wanting to recognize the problems that the frenzied pace of spending were causing or to consider meaningful reductions in the budget, the legislature actually removed almost \$74 million from the Rainy Day Fund just to balance the FY 1988-89 budget, further reducing the reserve. Still, the budget ended in deficit and \$28 million more was tapped to cover it. At this point, after two short years, just over \$100 million was left – still two years before the economy bottomed out.

In FY 1989-90, the fiscal picture eroded still more, with the general fund registering a deficit of \$260 million. With just \$102.3 million left to take out of the Rainy Day Fund, the state was forced to carry over to the following fiscal year the remaining deficit of \$157 million.

In short, in just two and one-half years, the monies in the Rainy Day Fund had been wiped out. The combination of raiding the fund prospectively in one year and never seriously mitigating deficits during those years meant Connecticut had no resources to help it weather the worst of the recession.

By FY 1990-91, the economy was clearly souring and personal income growth was slowing considerably. The state had no Rainy

DEPLETION OF THE RAINY DAY FUND			
FY 87-91			
(Millions)			
		<u>General</u> <u>Fund</u>	<u>Rainy</u> <u>Day</u> <u>Fund</u>
Balance 6/30/87	\$		319.6
FY 87-88 Operating Deficit	(115.6)		
Transfer from Rainy Day Fund		115.6	
Balance 6/30/88		0.0	204.0
Transfer to FY 88-89 Revenues		73.8	
FY 88-89 Operating Deficit	(28.0)		
Transfer from Rainy Day Fund		28.0	
Balance 6/30/89		0.0	102.3
FY 89-90 Operating Deficit	(259.5)		
Transfer from Rainy Day Fund		102.3	
Balance 6/30/90		(157.2)	0.0
FY 90-91 Operating Deficit	(808.5)		
Balance 6/30/91	\$	(965.7)	0.0

Day Fund and would register an \$808 million shortfall that year. With the carryforward deficit from the prior year, it had to bond a \$966 million cumulative deficit and pay it off over a period of years. In FY 1998-99, the state finally extinguished the last bill.

Many will argue that ten years later, things are different. Economists are projecting a pickup in the economy shortly, whereas back then things had not yet bottomed out. Yet, given these turbulent times, are there any guarantees? As we have seen this fiscal year, world events can suddenly change budget pictures considerably. Even with a five percent Rainy Day Fund and relatively quick action, the money can disappear quickly, necessitating a prudent approach to the reserve fund's use. Further, even if the economists are right, hitting revenue targets not knowing exactly when and how well the economy will recover is a difficult proposition.

If the fiscal crisis ten years ago is to teach us anything, it is that the Rainy Day Fund is a precious resource not to be squandered. The FY 1990-91 deficit bonding, \$1 billion in net tax hikes, income tax introduction, and major spending reductions to boot shows that depleting the Rainy Day Fund too soon causes far more misery.

Connecticut is better off financially because of prudent revenue forecasts and the state spending cap

If there is any consolation as to the current budgetary crisis Connecticut faces it is that the state is better off compared with many others out there. The last comprehensive study to be done about the current fiscal year's state budgetary gaps was conducted by the National Conference of State Legislatures (NCSL). NCSL found that 43 states had revenues that were below budgeted forecasts, with 26 states seeing or about to see costs exceed appropriations.

Connecticut's current budget deficit has never exceeded more than 3 percent of its total expenditures. Even its gross deficit (discounting savings and transfer actions taken by the Governor and the Legislature in Special Session) has never exceeded 5 percent. Today, if the Legislature adopts Governor Rowland's recent deficit mitigation plan, the deficit is just 1 percent of spending. Back in FY 1990-91, the state ended the fiscal year with a gap of 14.5 percent of budgeted expenditures.

This is in sharp contrast with the fiscal conditions of a number of states. Many of Connecticut's counterparts are experiencing hundreds of millions and multi-billion dollar problems, with deficits as a percentage of spending of between 5 percent and 10 percent. A number of states are facing problems in excess of 10 percent of expenditures.

Massachusetts, New York and New Jersey all have had budget gaps as a percentage of spending that exceed Connecticut's. New Jersey suffers from a budget gap in the current fiscal year of between \$2.4 and \$2.7 billion. Thus, it is facing a budget hole of over 10 percent of its overall expenditures.

Perhaps one of the most telling examples of Connecticut's superior financial position is a December Moody's Investors Service report indicating that as many as 13 states could see their bond ratings downgraded because of their fiscal plight. While Connecticut and a number of other states are rated as having a stable outlook, California (facing a \$12 billion or greater deficit), Florida, Hawaii, Indiana, Massachusetts, Michigan, Nevada, New Jersey, North Carolina, Ohio, Tennessee, Virginia, and Washington, are given the negative outlook. Massachusetts and New Jersey currently have similar bond ratings to Connecticut, while New York is substantially lower.

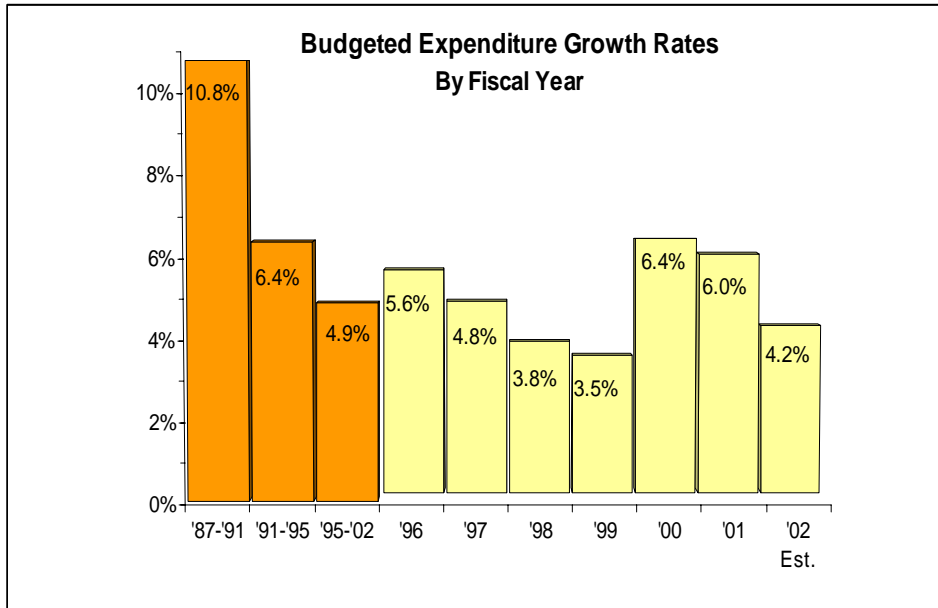
One reason for our better financial position is our historic conservative budgeting of tax revenues. Indeed, the Moody's report specifically credits Connecticut in this regard, stating: "These volatile swings in tax revenue collections reflect the inherent risk in these (stock) revenue sources. The states that used a more cautious forecast approach, such as Connecticut, are better positioned to withstand the current drop off."

Indeed, fearing a drop in overall revenue growth coming into FY 2001-02, the final FY 01-02 budget assumed just a minimal 3.5 percent overall economic growth rate in revenues, down from a final 7.1 percent in FY 2000-01. In terms of the biggest revenue generator, the budget assumed a 6 percent withholding income tax growth rate, down from a final FY 2000-01 rate of 8.7 percent. It also assumed a negative 4 percent growth in estimates and finals (which has been dominated by capital gains tax revenues in recent years), compared with a 19 percent final FY 2000-01 gain.

While those rates will not ultimately be achieved because of the major fallout from the terrorist attacks, the deficit situation would have been considerably worse if Connecticut made assumptions of continued strong growth rates as many states did.

The spending cap worked

The other reason for Connecticut's relatively healthy position is the fact that the constitutional spending cap existed. Over the past 10 years, the spending cap, although not a perfect mechanism,

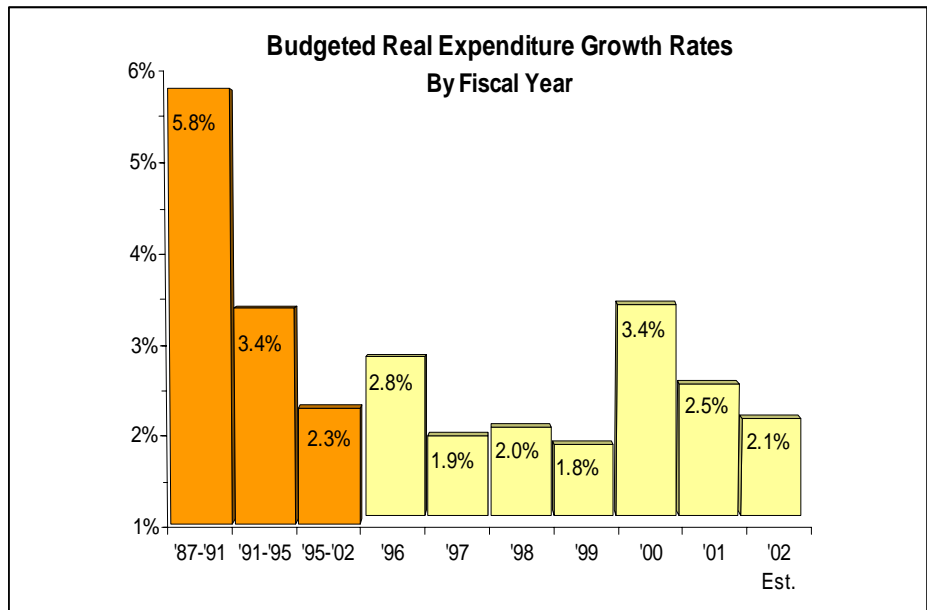


admirably served its function as a proxy to control year-to-year spending growth. It controlled the desire to spend well beyond our means simply because revenue was plentiful in a given fiscal year or was forecast in the following one. As you can see, without a spending cap, the state was growing its budget at an average rate of 10.8 percent in the late 1980s and early 1990s, even as there were signs of economic weakness. Despite

some healthy economic times the past seven years, the cap held the average annual growth in spending to just 4.9 percent.

There's little doubt that over the past few years, if not for the spending cap, growth would have been well in excess of the 6.4 percent registered in FY 1999-00 and the 6.0 percent growth last fiscal year. It is certainly not out of the realm of possibility that growth could have approached the 10.8 percent annual spending that was registered leading up to the fiscal crisis in FY 1990-91.

And that rates were so moderate throughout the 90s because of the spending cap also helped us to quickly ratchet down growth even more when signs of economic weakness began to set in last spring. Indeed, the discipline of the spending cap helped the state further reduce growth from the 6 percent mark in FY 2000-01 to an initially passed growth rate for the current fiscal year of about 4.1 percent.

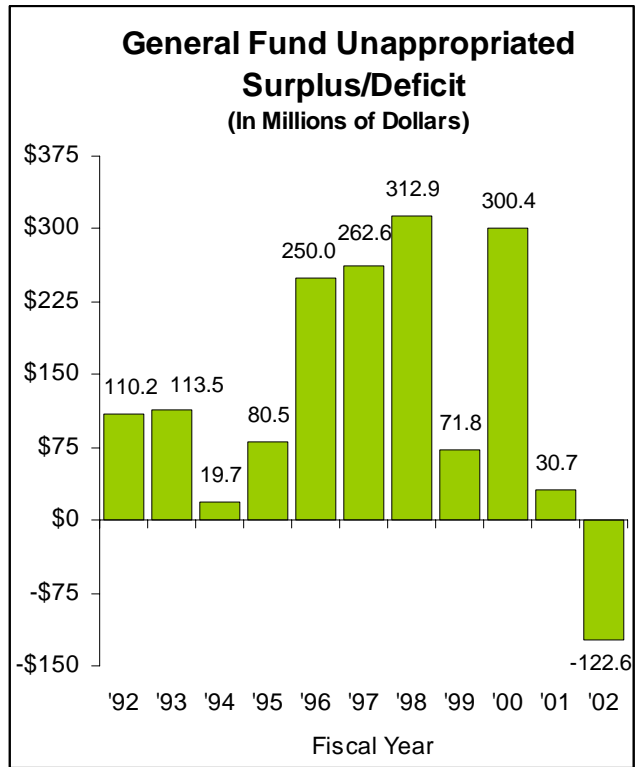
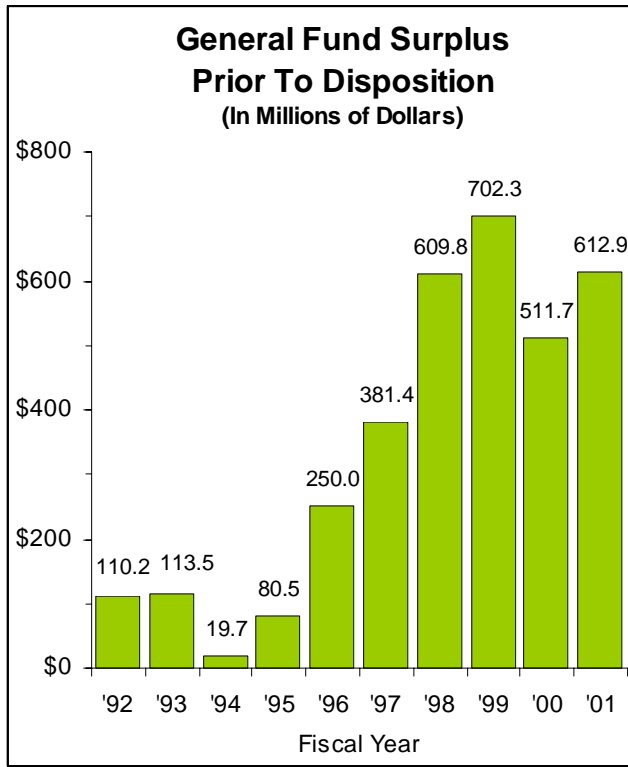


We are benefiting from the success of the spending cap today. Admittedly, we do have a deficit, even though the spending cap tightly constrained spending and we budgeted revenue growth conservatively. And we are making tough decisions to get to budgetary balance this and next year. But we are not dealing with a budget deficit of historic proportion as we did ten years ago and as many states are dealing with today.

In short, the spending cap makes eminent sense. It forced us to be forward-looking and restrained. It forced us to make hard decisions over the past several years rather than mammoth ones when the economy hit recession.

What explains the huge change from surpluses to a deficit?

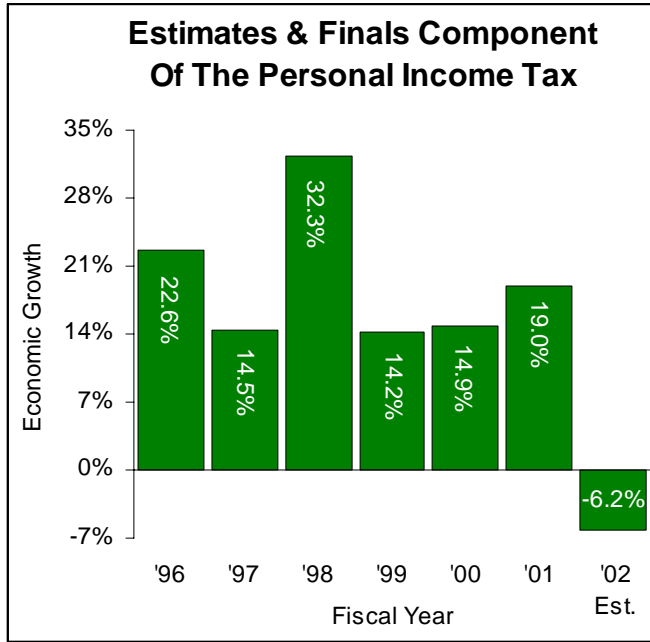
Connecticut had 10 years of surpluses, with windfalls of between \$500 million and \$700 million for the last four of those years. So how could you go from those magnitudes of surpluses to facing deficits? Simple: capital gains have driven much of the surpluses over the past several years.



First, federal data from income years 1995 to 1999 show that capital gains realizations reported by Connecticut residents went up a whopping 37 percent per year on average because of major stock market activity and gains. Second, state data for the estimates and finals portion of the income tax, which is roughly one-third of all income tax collections, is consistent. Capital gains generate about 40 percent of the estimates and finals category. From FY 1995-96 to FY 2000-01, the estimates and finals category went up on average 20 percent per year. The state had never seen such vigorous growth from year to year or that many years of growth in capital gains-related taxes.

Third, looking at revenue variances in the general fund also bear out this point. Revenue variances are the difference between budgeted revenues for a given fiscal year and what is actually collected in that year. (Surpluses are the revenue variance minus additional unbudgeted expenditures.) As the accompanying chart shows, the estimates and finals variance, primarily driven by stock gains, was an average of 42 percent for the previous six fiscal years. For FY 2000-01, the revenue variance attributable to estimates and finals was 68.9 percent. In rough terms, it means that almost \$400 million of last fiscal year's surplus was attributable to better than anticipated capital gains activity.

<u>Income Year</u>	<u>Capital Gains</u>	<u>Percent Change</u>
1994	\$2.547	-16%
1995	\$3.832	50%
1996	\$4.732	23%
1997	\$7.787	65%
1998	\$9.867	27%
1999	\$11.800	20%

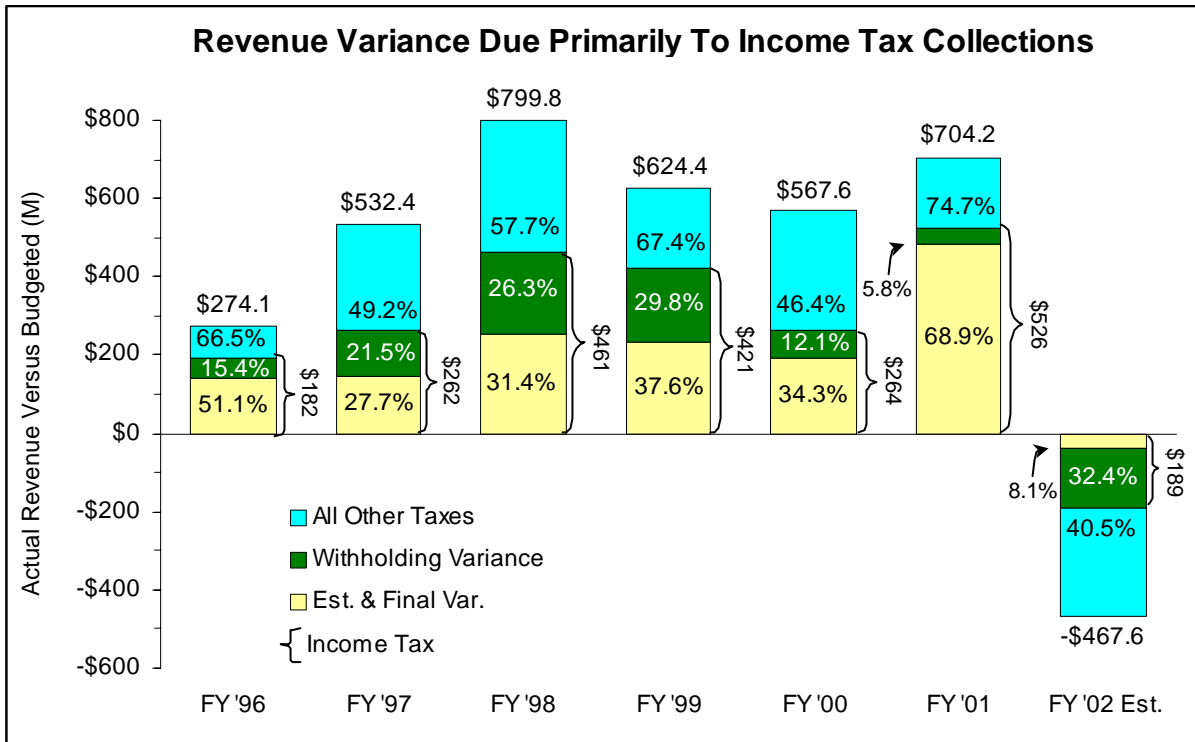


Admittedly, there were major revenue variances in other revenue categories. But for the most part those variances started to become much more narrow as the years went on, especially in the case of the withholding component of the income tax, which again generates two-thirds of all income tax collections.

The bottom line: the market generated the state's surpluses over the past several years, especially in FY 2000-01. It contributed to better than average capital gains revenues, but also provided the wealth to help boost other revenues – especially sales taxes – over anticipated levels. When the market lost incredible ground and did not recover, state tax revenues inevitably did the same.

Some would ask: why did the state see robust capital gains realizations and revenues in FY 2000-01 if there was a major stock market correction beginning in April of 2000. That is so because, while investors lose money because the stock value drops, they still tend to have made money over the life of holding the stock or mutual fund. Thus, there are “pent up” gains that are taxable. The state and federal governments tend to see a continuation of healthy capital gains revenues for a short period of time, usually through the end of the fiscal year.

Some would ask: why did the state see robust capital gains realizations and revenues in FY



But if the market does not recover or goes lower, revenues tend to go negative. That is what has happened since April of 2000. The state prudently budgeted for a loss in estimates and finals revenue for FY 2001-02. While the loss has been deeper than expected (in part due to impact of the terrorist attacks), the revenue variance is a small 8 percent, meaning the state planned well for the major correction that had occurred.

Shaky revenues after the stock market falls

Connecticut is living through the first recession since the implementation of the income tax. Without a doubt, the diversified revenue base has made it easier to weather the recessionary times. But with no capital gains realizations to provide explosive growth in revenues, the state is now in the position of having to rely on balancing a budget with much more moderate revenue growth. In these economic times, the state falls back on its traditional workhorses – the withholding portion of the income tax and the sales tax –to generate increases to cover major demands on the appropriations side. And as was noted above, the growth even here is more modest because the stock market wealth lately has tended to spur healthier growth in traditional categories.

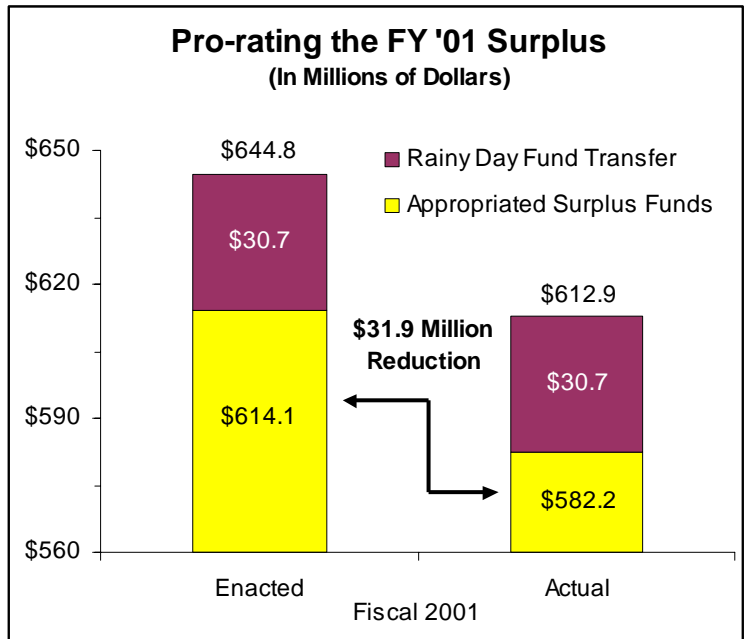
Interestingly, economists and revenue forecasters are having trouble explaining what has occurred on the other side of the income tax: the withholding portion. Notwithstanding the recession, Connecticut’s personal income growth is supposed to still be about 3.5 percent in the current fiscal year. Wage inflation clearly should outweigh job losses in the market. Inexplicably, the state’s withholding portion of the income tax is growing at a measly 1 percent thus far this fiscal year, not even meeting the anticipated personal income growth. In theory, withholding growth should outpace personal income growth because of the graduated structure of the state income tax; despite being featured as a “flat” tax, it does have two rates as well as personal exemptions and tax credits that phase out at higher incomes. Indeed, history suggests that the income tax is elastic and usually grows about 1.6 to 1.8 percentage points higher on average than the growth in personal income.

Part of the lower growth may be explained by the fact that stock options and other market-based bonuses might have been hidden in withholding tax revenues. It could also be a yet-to-be-understood fallout of the business disruptions in New York City or job losses that have yet to show up in unemployment and other economic forecasting numbers.

The first signs of a slowdown

The first signs of a slowdown came toward the end of FY 2000-01, as the Governor and legislative leadership were negotiating the parameters of the FY 2001-02 spending plan. Revenue growth appeared sluggish. Because the Governor was worried that a recession could be on the horizon, included in the final budget document was a requirement that appropriated surplus dollars be pro-rated if the surplus dropped and a deposit could not be made into the Rainy Day Fund to keep it at 5 percent.

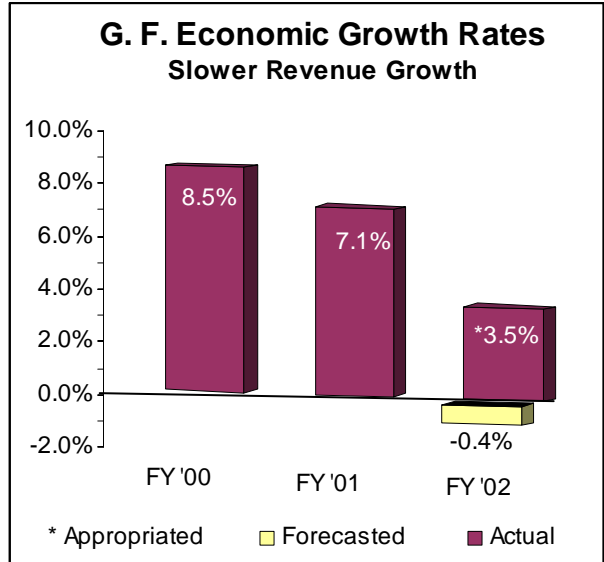
By September 1, 2001, the Comptroller had certified a surplus number that was some \$31.9 million below the anticipated surplus at the end of the budget session. Consequently, the budget language kicked in and numerous surplus items were pro-rated by 5.91 percent to ensure the state did not have a deficit of \$1.2 million and so that \$30.7 million could be deposited in the Rainy Day Fund.



A recession set in

The National Bureau of Economic Research declared recently that the longest ever national economic expansion, which lasted ten years, officially ended last March. Evidently, the economic slowdown was what began to become apparent toward the end of FY 2000-01. The average length of a recession is approximately eleven months and most economists at the time were declaring that the recession would last probably to the end of calendar year 2001. Indeed, various economic indices were pointing to the fact that the economy was due to turn around by Christmas.

Unfortunately, the terrorist attacks have prolonged the recession; many say by as much as six months to a year and have made it much deeper. Consequently, instead of seeing modest growth, revenues have actually dipped as a whole in the current fiscal year.

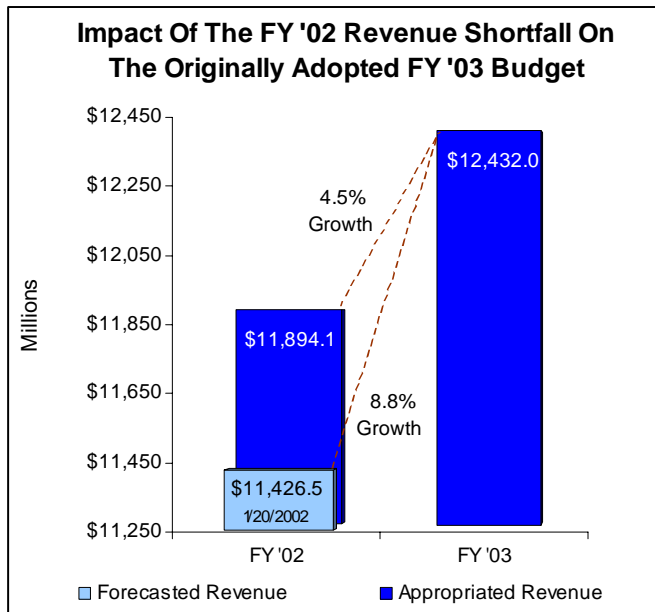


The state assumed a modest 3.5 percent economic growth rate (growth before any tax reductions are factored in) for all revenues. Instead, it is estimated to register a drop of four-tenths of one percent. In terms of actual growth (including all revenue reductions), the state budgeted for a modest drop of 0.8 percent, but will actually see a drop of 4.7 percent.

What is the impact on FY 2002-03?

Because of the steep drop in revenues in the general fund this fiscal year, the FY 2002-03 adopted budget was put well out of balance. As can be seen from the accompanying chart, if the state had reached its budgeted revenue target for FY 2001-02, revenues would have needed to grow by 4.5 percent, or \$537.9 million, to meet the adopted revenue target in the second year of the biennium. But because revenues are anticipated to fall \$467.6 million below budget this fiscal year, an 8.8 percent growth rate, or over \$1 billion, would have to be hit to meet the adopted revenue number next fiscal year.

General fund revenue is estimated to grow by about 4.1 percent, or \$479.7 million, leaving a revenue hole of \$525.8 million next fiscal year. In addition, as will be detailed later, technical adjustments to the adopted budget because of caseload and other demands, would add another \$108 million to the bottom line, pushing the gap in the FY 2002-03 adopted budget to about \$633 million.



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Beginning Balance	\$	0.6
Revenue Gap		(525.8)
Expenditure Increases		<u>(108.0)</u>
Surplus/(Deficit)	\$	<u><u>(633.2)</u></u>

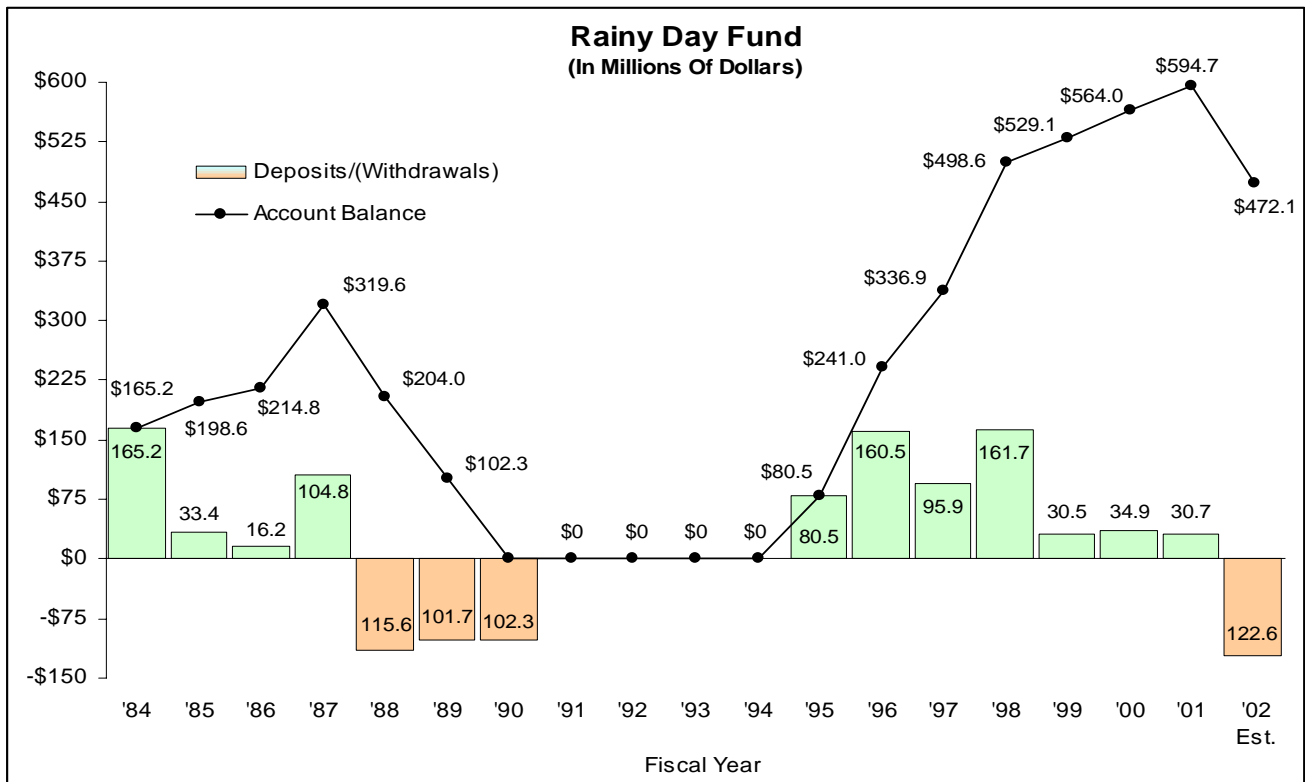
What if no Special Session or reductions had occurred?

Early on in the fiscal year, Governor Rowland saw signs of the weakening economy and its impact on revenue. He took immediate action to reduce spending by implementing \$29.5 million in rescissions in September, calling for reallocation of \$57.5 million of FY 2000-01 surplus to cover the deficit, and a Special Session to deal with an anticipated further revenue slowdown. In part, a legislative session was needed because of the Governor’s rather limited statutory authority to rein in spending.

The proposed cutbacks and calls for Special Session were met with cries from some Democratic legislators that the Governor was too pessimistic on the economy and that no action was needed at this time. Thankfully, these leaders relented and ultimately approved \$200.6 million in reductions or surplus reallocation, including the Governor’s September rescissions, to reduce the deficit.

Since that time, revenues have eroded further and the Governor has implemented further cutbacks. As of this date, the Governor has endorsed another package of \$28.1 million in rescissions and reallocation of the remaining FY 2000-01 surplus of \$157.3 million. Again, some Democratic lawmakers have complained that such cuts are draconian, despite continued revenue erosion.

Including a new budget proposal to increase the tobacco tax by 61 cents effective April 1, 2002 (which will raise \$42.5 million), Governor Rowland has pushed for and undertaken \$428.5 million in deficit mitigation since September, leaving an anticipated hole of just \$122.6 million, or about 1 percent of general fund expenditures.



What if others had gotten their way? What if no action were taken and we turned a blind eye to the revenue erosion? What if we simply gave into the temptation, as so many Democratic lawmakers suggested, to allow the Rainy Day Fund to take care of the problem at the end of the fiscal year?

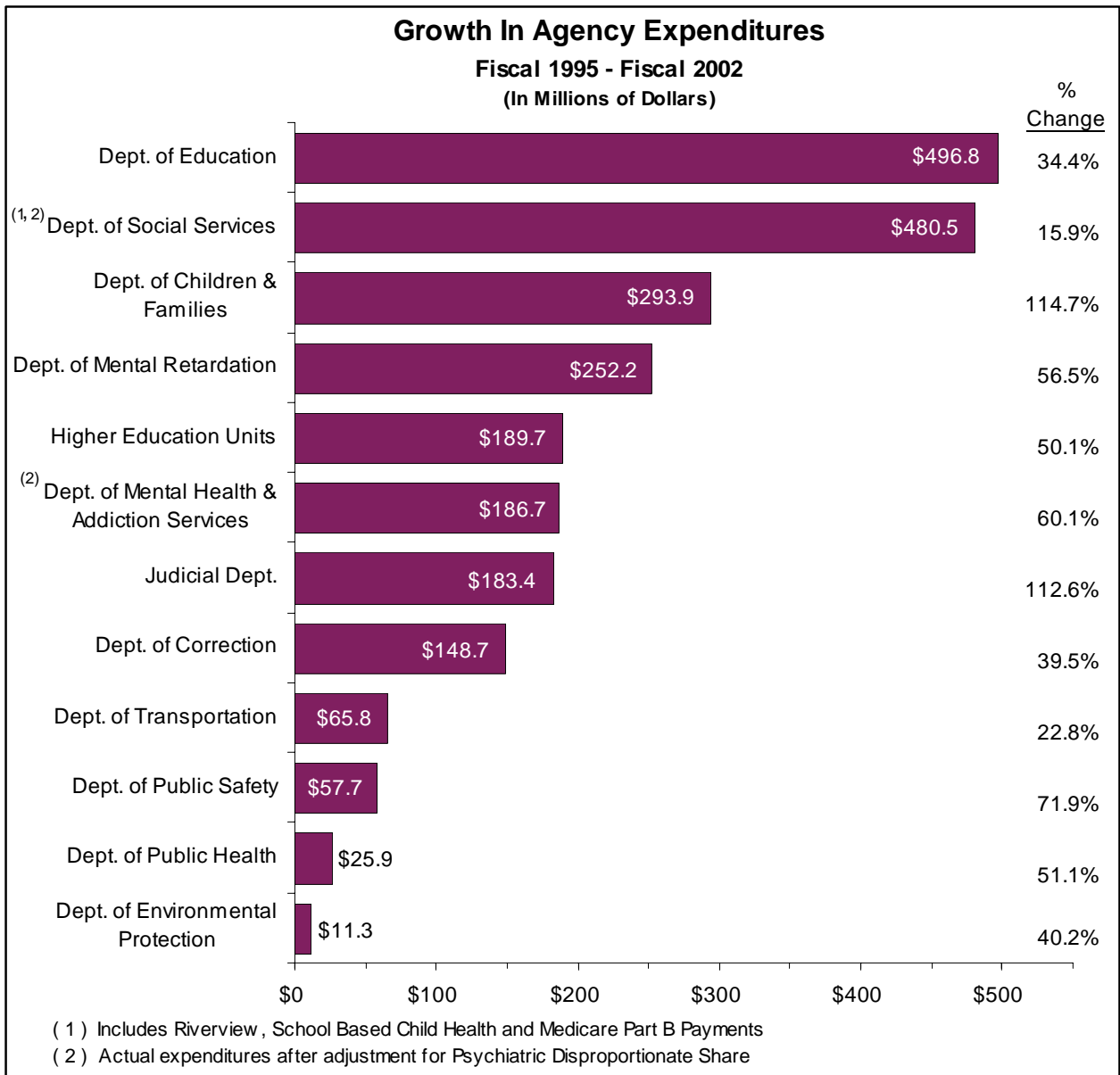
If left to their own devices, the Democratic majority in the legislature would have pursued just that strategy and the repercussions would have been horrendous. We would have been looking at at least a \$551.1 million deficit right now, with no time left to reduce spending. The Rainy Day Fund

may have been tapped for the full amount, leaving just \$43.6 million to fall back on next fiscal year if revenues continue to perform sluggishly.

As difficult as some of the cutbacks were, the Governor’s forward-looking stance has safeguarded the budgetary health of Connecticut. Without a doubt, if no actions were taken, Connecticut would have joined the other 13 states outlined above on the negative outlook rating list and be wrestling with a deficit approaching 5 percent of general fund expenditures.

A record to be proud of

Over the past seven years, Governor Rowland and the legislature can be proud of their record of fiscal discipline. It laid a firm foundation to weather a recession and to emerge well-placed to excel in the rapidly changing marketplace.



For sure, numerous advocates, special interest groups, and lawmakers will complain that the adjusted budget being submitted trims back certain programs. But they lose sight of the fact that the past seven years have represented unprecedented investments in numerous areas of the budget.

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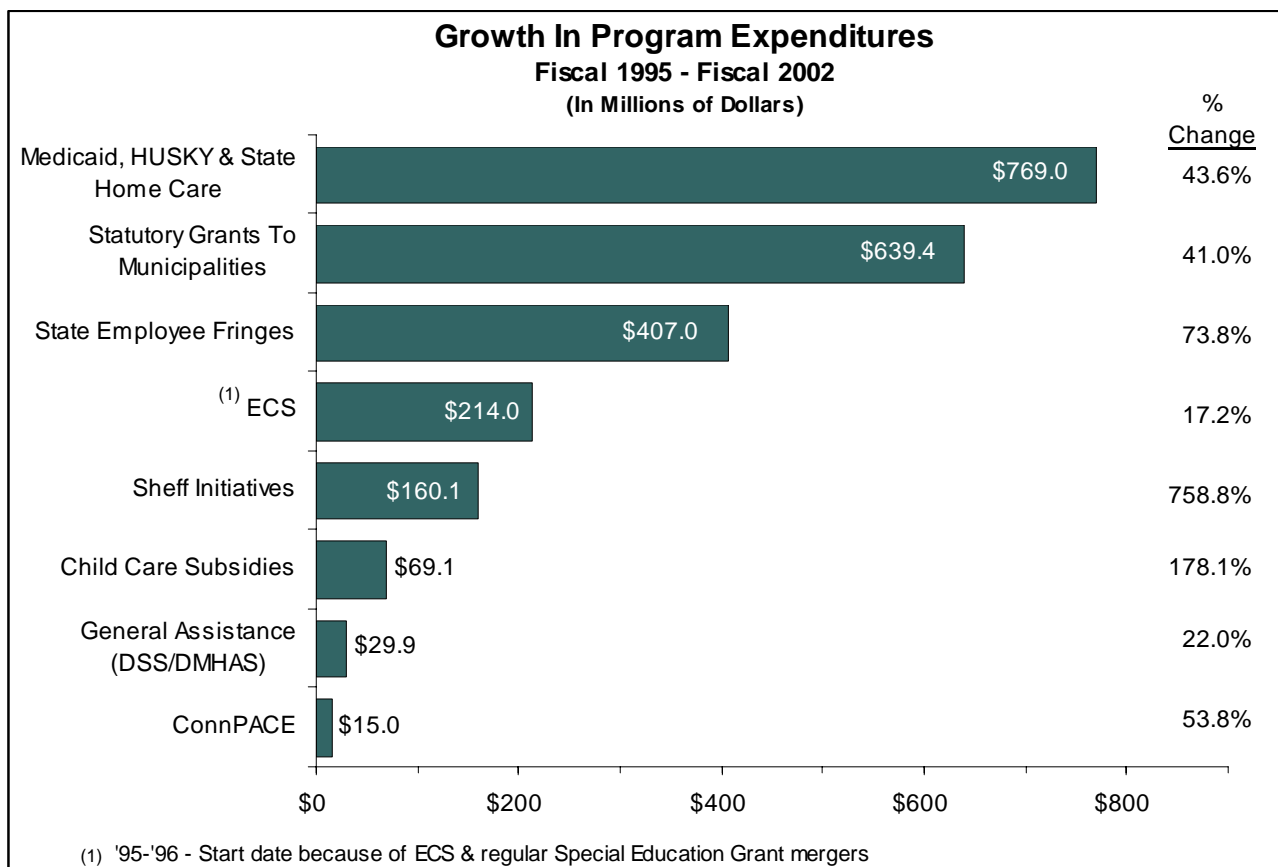
Connecticut had one of the richest social service and education infrastructures seven years ago and they only got richer.

The previous chart shows the investments. The Department of Public Safety today has 1248 troopers – an increase of about 25 percent over the last seven years. Its budget increased \$57.7 million, or 72 percent.

The Department of Mental Retardation budget increased 57 percent, or \$252 million. Today, DMR serves thousands of new clients. Each and every year, funding is provided for high school graduates and clients aging out of the DCF system.

The Department of Mental Health and Addiction Services has seen its budget increase by about \$162 million. Jail Diversion and community services have been expanded. A new General Assistance Managed Care program, providing case management and a wider array of community services, replaced the old fee-for-service program. Caseloads have increased dramatically with aggressive outreach.

While the Department of Social Services budget appears to have seen limited growth, that is so because of a restructuring of the uncompensated care pool and Governor' Rowland's major welfare reform initiative. Medicaid alone increased a total of \$742 million or almost 40 percent in seven years.



Medicaid services for children have been expanded to 185 percent of poverty. Adults who have children can also now obtain Medicaid coverage up to 150 percent of poverty. A new health-care program for children between 185 percent and 300 percent of poverty was started. Home care, assisted living and other alternatives to nursing home care have been expanded and created in the state. Access to child care services has expanded significantly. Child care rates have been increased to ensure quality.

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ConnPACE has seen its budget increase by \$15 million or 54 percent. Beginning April 1, 2002, coverage will be increased to 233 percent of poverty, making up to 12,000 more elderly eligible for the program. Governor Rowland is also asking the federal government to allow ConnPACE to be eligible for federal reimbursement because it saves money for both Medicaid and Medicare. If a Medicaid waiver for the program is granted, eligibility will increase to 300 percent of poverty, making another 15,000 to 25,000 eligible for the program over time.

The Department of Education's budget has increased by more than one-third since FY 95-96. The Education Cost Sharing grant has increased by 17.2 percent or \$214 million. The state has begun phasing out the arbitrary growth cap placed over the years on scores of communities. Since FY 95, new and innovative programs have been funded to reduce racial isolation and improve urban education. These initiatives have increased eight fold, from \$21 million to \$181 million, a \$160 million increase. That does not include the major increases in capital dollars for local schools. Yearly bond allocations have increased from under \$200 million per year to over \$500 million per year over the time frame.

Governor Rowland's commitment to reforming the child protection and juvenile justice systems and to provide quality mental health services for children has meant the Department of Children and Families budget has increased 115 percent in seven years, or \$294 million. A new juvenile training school has opened and a new community-based mental health system has been launched.

Higher education has seen its budget grow by 53 percent over the past seven years, or \$200 million, including tuition aid. That is an average of almost 8 percent per year. Those dollars don't include significant fringe benefit increases received by the higher ed units from the state or the approximately \$250 million in bond monies given each year in recent years to improve campuses.

To ensure the public safety, the Department of Correction budget has increased almost 40 percent or about \$150 million in seven years.

As for municipal support, one of the main reasons local mill rates have remained stable or seen only minimal increases was because of generous state support. Over the seven-year period, statutory grants to municipalities have increased by 41 percent, or almost \$640 million. That compares with an overall state budget growth rate over that time of just less than 40 percent.

Further, Governor Rowland has invested heavily in school construction grants and Clean Water projects. The generous programs in these areas have saved towns tens of millions of dollars. Few states reimburse 20 to 100 percent of local school construction projects. While most states offer market rate loans to aid towns in refurbishing sewage plants, Connecticut offers a 20 to 30 percent outright grant, with the balance loaned at just 2 percent. Hundreds of millions more in economic development grants have been invested in the state's most distressed urban communities.

It's a record to be proud of and stay mindful of as we tackle the first budget deficits since the early 1990s.

Liquidating the FY 2001-02 Deficit

As noted above, early on in the fiscal year Governor Rowland began aggressively managing the anticipated deficit. As the accompanying charts show, just as the state was readying to liquidate the deficit through cost-cutting measures, the state received more bad news in terms of sluggish tax collections.

Those deficit mitigation efforts were certainly not for naught, however. Without them, the state's budget deficit would be sitting at about \$550 million. That would have nearly drained the Rainy Day Fund as of June 30, 2002, leaving nothing to fallback on next fiscal year if revenues remain sluggish. The cutbacks throughout the year allowed the state to ensure that its overall deficit stayed at a reasonable level, always around 1 percent of general fund expenditures.

	Adopted	Jan. 20th Forecast	Diff.
Personal Income Tax	\$4,841.4	\$4,652.0	(\$189.4)
Sales & Use Tax	3,193.7	3,089.8	(103.9)
Corporation Tax	501.2	431.2	(70.0)
Inheritance Tax	210.0	160.0	(50.0)
All Other	3,147.8	3,093.5	(54.3)
Total G.F. Revenues	\$11,894.1	\$11,426.5	(\$467.6)

The \$551.1 million gross deficit is made up of two parts:

First, it primarily is the result of a revenue shortfall from budgeted levels of \$467.6 million. The shortfalls occurred in a variety of areas, the largest being:

- A shortfall of about \$38 million for the estimates and finals category of the income tax. The budget assumed a decline of about 4 percent, while the state is now expecting a decline of about 6 percent from the prior fiscal year.
- A shortfall of \$151.4 million in the withholding portion of the income tax. The budget assumed a growth of about 6 percent, while the state is now expecting a growth of about 1 percent from the prior fiscal year.
- A shortfall in the sales tax of \$103.9 million. The budget assumed a growth of about 5.5 percent, while the state is now expecting a growth of about 4 percent from the prior fiscal year. That accounts for a loss of about \$50 million. In addition, just over \$50 million less is expected than was budgeted because of over-estimation of sales tax collections last fiscal year that were put into the base for this fiscal year. This was done before the economic slowdown was readily evident.
- A shortfall in the corporation tax of \$70 million. The budget assumed a growth of 3 percent, while the state is currently expecting a decline of about 11 percent. In addition, the vast majority of the \$31.5 million shortfall in refunds of taxes is attributable to higher than expected corporate refunds.
- A shortfall of about \$20 million in the oil companies gross receipts tax because of rapidly declining oil prices.
- A shortfall of \$28.6 million in investment income because of the precipitous drop in interest rates.

On the positive side, the state is expecting about \$14 million more from the Connecticut Lottery Corporation because of the high sales of Powerball tickets at one point during the fiscal year, and about \$20 million more from the Indian casinos because of expansion.

Second, the state is expecting that its expenditures in the general fund will be \$83.6 million more than budgeted. The larger over-expenditures include:

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- \$4.0 million to fund collective bargaining awards that lawmakers were warned were well above the budgeted pattern.
- \$10 million to fund lower than anticipated reimbursements for state employee health costs.
- \$1.9 million for federal health legislation compliance.
- \$1.1 million for higher than budgeted insurance premium costs.
- \$2.4 million attributable to the World Trade Center terrorist act and anthrax scares.
- \$3.1 million for a variety of overruns in the Department of Mental Health and Addiction Services.
- \$6.5 million in higher than expected special education payments to towns.
- \$35 million in additional expenses in the Department of Social Services in Medicaid and welfare payments.
- \$4 million in the Department of Correction for increases in the prison population.
- Over \$6 million in increased workers' compensation costs attributable largely to a delay in the sale of certain claims to a private entity.
- About \$9 million in surplus adjustments because of claims payouts, escheats, etc.

FY 02 Additional Estimated Expenditures	
(In Millions)	
Reserve for Salary Adjustment	4.0
State Insurance and Risk Management Board	1.1
Department of Information Technology	1.9
Department of Public Safety	1.3
Military Department	0.8
Department of Environmental Protection	0.8
Department of Public Health	0.5
Department of Mental Retardation	0.9
Department of Mental Health & Addiction Services	3.1
Department of Social Services	35.0
Department of Education	6.5
Department of Correction	5.9
Department of Children and Families	0.6
DAS Workers Compensation	2.0
State Employees Health Services	10.0
Total - General Fund Budgeted Agencies	74.4
Surplus Adjustment	9.2
Total - General Fund	\$ <u>83.6</u>
Reserve for Salary Adjustment - STF	\$ <u>4.6</u>

The Governor is also proposing to appropriate an additional \$14 million to Medicaid this fiscal year to expunge a tax credit of equal value. This will help the state generate federal revenue beginning next fiscal year but have no impact on the deficit this fiscal year.

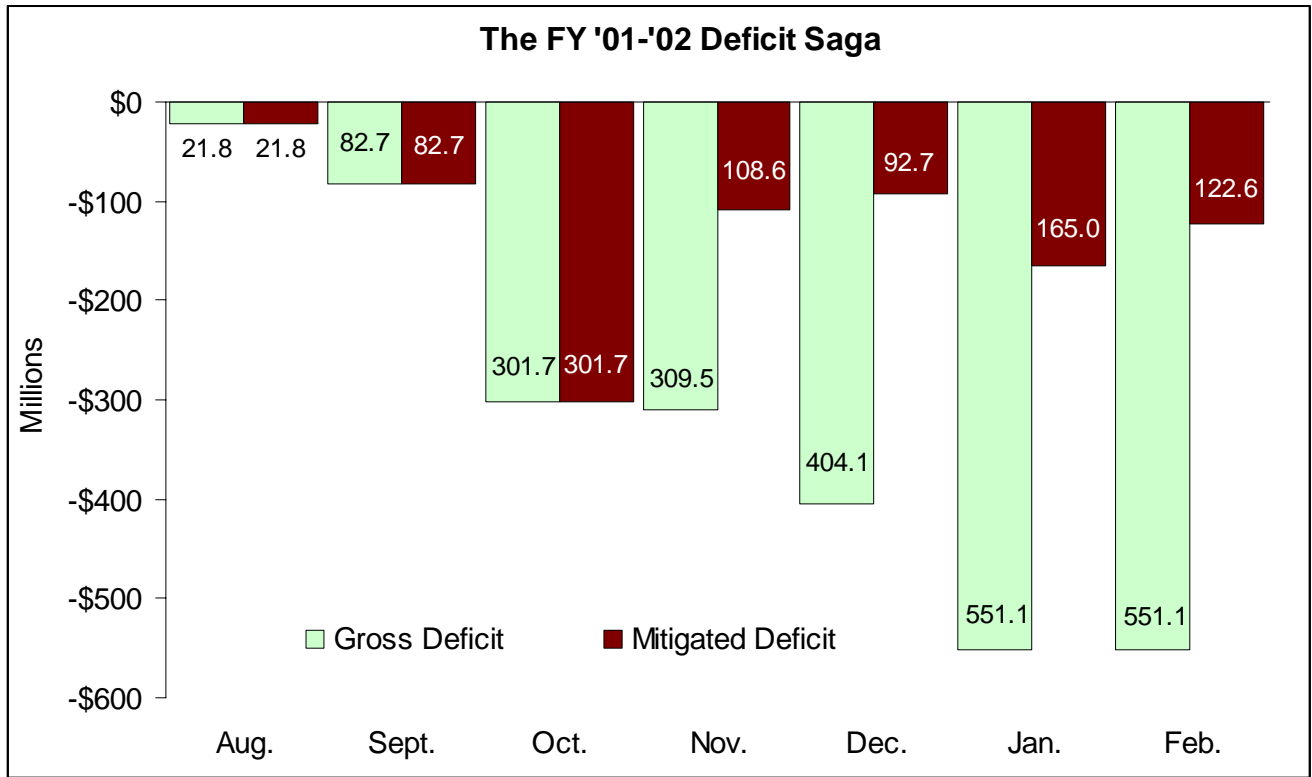
The cutbacks currently used in Governor Rowland's deficit mitigation plan, which brings the deficit from a gross number of \$551.1 million to \$122.6 million are:

- \$29.5 million in rescissions and forced lapses he put into effect in September.
- \$35.3 million in cuts to the General Fund during the November Special Session.
- \$128.8 million in reallocation of the FY 2000-01 surplus to cover the deficit in November Special Session.
- \$7.0 million in reductions to carryforward spending that will be reallocated to cover the deficit agreed to in the November Special Session.

GENERAL FUND DEFICIT MITIGATION PLAN	
FISCAL YEAR 01-02	
(IN MILLIONS)	
Beginning Balance	\$ 0.1
Revenue Shortfall	467.6
Additional Expenditure Requirements	<u>83.6</u>
Gross Deficit	\$ 551.1
Special Session Actions (Includes Governor's September Rescissions)	<u>200.6</u>
Revised Deficit	350.5
Governor's Revised Deficit Mitigation Plan	
Governor's December Rescissions	<u>28.1</u>
Revised Deficit	322.4
Use all non-allotted surplus funds from FY 00-01	<u>157.3</u>
Revised Deficit 1/21/02	165.1
Increase the Cigarette Tax effective 4/1/02	<u>42.5</u>
Revised Deficit 2/6/02	\$ <u>122.6</u>

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- \$28.1 million in additional rescissions and forced lapses he put in effect in December.
- Reallocation of the remaining \$157.3 million in unallotted FY 2000-01 surplus to cover the deficit that he announced in January.
- Adoption of an increase of 61 cents in the cigarette tax to go into effect on April 1, 2002, which will raise about \$42.5 million in revenue in the current fiscal year.



Many programs continue to receive major funding from FY 2000-01 surplus

Many have objected to the Governor’s proposal to reallocate the remainder of the FY 2000-01 surplus to cover the current fiscal year deficit. They would argue that those monies are critically needed to be spent on the areas the legislature proposed when last fiscal year’s surplus was allocated.

But the Governor’s rationale is simple: He supported spending the money on a variety of programs. Indeed, he proposed three of the biggest expenditures, that of new mental health monies, transportation spending and debt avoidance on school construction projects. But the state has seen its fiscal position change from surplus to deficit and it is in the best interests to reallocate the remaining monies to safeguard existing programs in the general fund and mitigate the drawdown on the Rainy Day Fund. In effect, it does not have the luxury of spending any more surplus dollars. The surplus, for all practical purposes, has disappeared.

Allowing the surplus monies to be spent and having the Rainy Day Fund be tapped at a greater level, as some would endorse as an alternative to reallocating the remaining FY 2000-01 surplus spending, would mean almost half of the Rainy Day Fund would be gone when the state may be facing uncertain economic times next fiscal year.

It is also important to remember that the state did in fact utilize well over \$400 million of last fiscal year’s surplus already. New programs and investments were made at very significant levels. For example:

- The full \$31 million in Municipal Revenue Sharing went out to towns.

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- Supportive Housing will receive over \$4 million (including over \$1 million in general fund transfers) and Governor Rowland has indicated that \$20 million in bond dollars will be used to complete all planned expansion activity to build units for those with behavioral health illnesses.
- Community Mental Health Investments will receive over \$16 million (including over \$3 million in general fund transfers) to expand community-based services to adults and children.
- The Transportation Strategy Board will receive over \$16 million in surplus funds, as well \$27 million in bonding over time for its innovative work. That essentially keeps the post-Special Session commitment of \$44 million.
- About \$17 million will go out to hospitals in various aid programs this fiscal year from the surplus. While over \$10 million that would have been dispersed over the biennium will be reduced, additional dollars have been put into the FY 2002-03 operating budget to offset most of the loss.
- Regional magnet schools received about \$2.6 million, about \$1 million each went out for school accountability and reading programs, about \$500,000 went out for safe learning, and about \$1.3 million will have gone out to poor performing schools.
- \$50 million of about \$100 million is being used to avoid issuing debt for school construction.
- The digital library project received about \$1.4 million, and distance learning received almost \$1.9 million.
- Nursing and teacher recruitment received about \$1.1 million.
- Almost \$9 million went out to match endowment fundraising at the state's public universities and colleges.
- The Connecticut Futures Fund for at-risk kids received about \$2.4 million for scholarships in the future.
- All of the approximate \$12.4 million went out to the state's higher ed units to help boost reserves.
- \$27.1 million went toward selling workers' compensation liabilities so as to reduce the state's outyear risk and its ongoing payments.

FY 01 Surplus Expenditures	
Major Items	
Municipal Revenue Sharing/Impact Aid	31,000,000
Jobs Funnel Projects	1,000,000
School to Work	1,000,000
CT Technology Initiatives	2,086,197
Project Soar	940,885
CEIP Phase Out	1,411,328
Cluster Initiative	1,357,630
Supportive Housing/Bonding	24,425,000 *
Community Mental Health Strategic Investments	15,670,000 *
Transportation Strategy Board/Bonding	43,280,000
Hospital Finance Restructuring Funding	16,814,678
Reading Institutes	940,886
RESC Based Magnet Schools/Interdistricts	2,634,479
School Construction	50,000,000
School Accountability	940,885
Poor Performing Schools	1,317,240
Digital Library	1,381,771
Higher Education State Matching Grant Fund	8,727,652
Education and Health Initiatives	1,146,788
Connecticut Futures Fund	2,352,213
UConn, UConn Health Center, Charter Oak, Community- Technical Colleges, CT State University - Contribution to Reserves	12,435,984
Sale of Workers' Comp Claim Liabilities	27,100,000
*Includes monies transferred from the general fund.	

The need for a higher Rainy Day Fund

Public policymakers have discussed for the past several years the need to set aside more resources in the Rainy Day Fund. They argue that a 5 percent threshold is simply not enough to weather an economic downturn.

While it was easy to dismiss moves to increase the fund in the past, the swiftness with which major revenue shortfalls came onto the scene this fiscal year has convinced Governor Rowland that more dollars need to be set aside in the future to protect the state's fiscal health.

It is hard to argue that more is not needed. Again, if the Rainy Day Fund had to cover the gross deficit this fiscal year, under \$50 million would be remaining to offset any potential problems next fiscal year. As it is, if the Governor's plan is endorsed, the fund should still have over \$470 million to cover any revenue shortfalls or deficiencies as we are emerging from the recession.

General Fund Reserves Est. Fiscal 2001			
<u>Rank</u>	<u>State</u>	<u>Reserves Millions</u>	<u>% Of Expenditures</u>
1	Alaska	\$2,860	124.9%
2	Wyoming	\$147	23.3%
3	Nebraska	\$374	15.2%
4	Michigan	\$1,264	12.9%
5	Nevada	\$242	12.9%
16	Massachusetts	\$1,760	8.5%
22	Rhode Island	\$192	7.8%
26	New Jersey	\$1,277	6.1%
33	Connecticut	\$593	5.0%
40	New York	\$1,098	2.8%
National Average			7.2%

In concert with ensuring adequate monies in the Rainy Day Fund going into FY 2002-03, the Governor is proposing that the Rainy Day Fund threshold be increased from 5 percent to 7 percent. Based on estimated fiscal 2001 data, the average set aside for all states in a Rainy Day Fund was approximately 7.2 percent. If such legislation is adopted, it would mean that an additional \$250 million will be set aside over time (based on the FY 2002-03 proposed adjusted budget funding level) to protect the state budget and ensure critical services to clients and citizens in the future.

The Economic Outlook

In these pages a year ago, we declared that the economy was outperforming our wildest expectations. And certainly, based on the magnitude of the surplus, the historic low unemployment rates we were enjoying, and the continued investments in new businesses, that was not such a far-fetched pronouncement. But at the same time, we were predicting a slowdown in the economy based on a number of indicators that had peaked and begun falling in the latter half of calendar year 2000.

The slowdown was predictable and did occur. What couldn't have been predicted was the terrorist attacks on our nation and the impact it had on an economy that seemed to be in a nascent recovery. Because of the terrorist attacks, our nation's and state's economic outlook is somewhat less certain.

Notwithstanding the unforeseen events, Connecticut's economy is a different economic engine than it was a decade ago. The '90s recession was caused by the collapse of the real estate and banking sector along with the tearing down of the Berlin Wall and with it the end of the seemingly unfettered supply of military contracts on which Connecticut had historically thrived. It was the simultaneous collapse of these sectors that led to one of the deepest recessions Connecticut has ever seen.

Since that time, Connecticut has worked to diversify its economy dramatically. Its defense reliance is down from 6 percent of gross state product to below 2 percent. Its reliance on manufacturing has gravitated toward the national average and at the same time the state has begun specializing in precision and other high-end manufacturing. The number of small businesses increased dramatically over the last decade, with almost 90,000 gross business starts in the last four years and almost 70,000 net ones over the same timeframe.

Connecticut's economy today is much more reliant on the service sector, which is far more insulated from downturns. Though our reliance on the finance, insurance and real estate (FIRE) sector has increased as a percentage of gross state product, more important is the fact that overall employment reliance is down. While exports are suffering from a worldwide economic slowdown currently, overall exports are up considerably since the early 1990s. Connecticut has begun to look globally and take advantage of the numerous free trade agreements that have been signed. Connecticut's success in exports has helped diversify its economy and add to its gross state product.

All of these facts have ensured that the recession Connecticut is now suffering from is far more moderate than in the 1990s. Also aiding the current economy is the fact that interest rates are at historic lows, which has helped bolster consumer confidence, added to disposable income, and sustained economic activity. Mortgage refinancing, home purchases, housing starts and car sales have all been aided by the interest rate environment and helped mitigate the impact of the recession. The drop in oil prices is also having a beneficial effect as it is contributing to a low rate of inflation in various sectors of the economy. (Crude oil prices have dropped from almost \$31 per barrel in October 2000 to just \$20 per barrel in October 2001.) Further, citizens were not hobbled with high energy bills just as their paychecks were getting leaner.

All of this points to the fact that Connecticut shouldn't see the huge disruptions during recessions that it saw in the 1990s. Recessions should be far more moderate and less lengthy. Job losses should be less as well.

What does the future hold?

Nonetheless, Connecticut's economy has suffered from the nationwide slowdown. Connecticut's unemployment rate has increased from a low of 1.9 percent to 3.6 percent currently. The state's unemployment rate, however, is still considerably below the national rate of 5.8 percent, another sign of Connecticut's wherewithal.

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Because of the slowdown, Connecticut has lost 22,300 jobs since its monthly peak in May of 2001. Interestingly, the state lost about 158,200 jobs in the last recession. At the peak in May, the state had gained back 181,700 jobs. So even with the job losses since May, the state's number of jobs still is ahead of the peak before the 1990s recession by about 1,200 jobs.

It is expected that about 13,000 more jobs may be shed through the end of the current fiscal year. Thus, from peak to trough by month, about 35,000 jobs will be lost before employment begins to grow. On a quarter-to-quarter basis, from peak to trough, 26,000 jobs will be lost during the recession, with the low quarter again being the last quarter of the current fiscal year.

In FY 2000-01, the state on average gained 17,400 jobs. In FY 2001-02, the state on average is expected to lose 17,100 jobs. While recovery will take hold in FY 2002-03, job growth will be an anemic 4,800 on average for the fiscal year. In FY 2003-04, job growth will be more explosive, with 16,400 jobs on average being added.

Unemployment is expected to grow from its current rate of 3.6 percent to 4.6 percent in the first quarter of FY 2002-03. The average unemployment rate for FY 2002-03 is expected to be 4.4 percent, with the rate dropping to 3.9 percent in FY 2003-04 and continuing to decline in the outyears.

Overall employment grew in FY 2000-01 by 1 percent; it will drop by 1 percent in FY 2001-02. A modest gain of 0.3 percent is expected next fiscal year, with growth of 1 percent or more per year thereafter. As has been the trend, manufacturing employment is expected to continue to contract; in FY 2002-03 it should contract another 2 percent, or about 5,000 jobs.

On a seasonally adjusted basis, average weekly initial unemployment claims peaked in October 2001 with a monthly average of over 6,000 per week. As of December, that number was down to below 5,000, yet another sign that the economy is improving. But because of the rise in unemployment, the unemployment compensation fund is becoming depleted. The fund balance peaked at around \$850 million. As of December 31, 2001, the balance had fallen to \$630 million. It is anticipated that \$683 million in benefits will be paid out this fiscal year, with normal payments into the fund being about \$270 million. Consequently, the balance would slip to about \$217 million at the end of calendar 2002.

Under the 1995 reform law, a solvency tax kicks in if the balance drops below a certain threshold and if payouts are expected to continue to drain the fund. Therefore, a solvency tax of 1.3 percent will kick in this calendar year, which will raise an extra \$250 million for the fund. The solvency tax will continue at various levels through at least calendar 2005.

Personal income growth will slow in FY 2001-02 to 3.5 percent, down from a robust 7 percent last fiscal year. That robust 7 percent growth ensured Connecticut's distinction as having the highest per capita income in the nation. Personal income growth will recover to 4.3 percent in FY 2002-03 and then continue moving upward from there. It is expected that the state's personal income growth will outpace the national growth in fiscal years 01, 02, and 03, but slip below the national average for the following two years. Inflation is expected to remain comfortably below 3 percent through FY 2005-06.

Real national GDP is expected to contract in FY 2001-02 by one-tenth of one percent, while Connecticut's real GSP should grow by one-half of one percent this fiscal year. In FY 2002-03, the GDP will grow by 2.5 percent, while our GSP will grow by 1.5 percent. Thereafter, both the GDP and GSP shoot to over three percent for a period of years.

Because of low interest rates, housing starts held close to 10,000 last fiscal year and starts are expected to show similar strength moving forward despite the economic slowdown.

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Last year, we noted that the purchasing managers index, leading economic indicators and other economic predictors were sending foreboding messages. Last year, those indices were decidedly pointing to contraction or even recession. This year, everything points to a recovery. The U.S. Index of Leading Economic Indicators has been listless from December 2000 to October 2001, with an upswing beginning in November. The U.S. Consumer Confidence Index dropped dramatically from December 2000 through October 2001. In November it held flat, but made a substantial recovery in December. The Institute of Supply Management Index (formerly the Purchasing Managers' Index), the bellwether for business confidence, has been below 50 since mid 2000. In general, an index below 50 for several months is a sign of a contraction. The index began its recovery in January 2001, but dropped precipitously after the terrorist attacks. Since November, however, it has been on a marked climb toward 50. As of December, it stood at 48.2 and appears primed to cross the magic threshold.

Nonetheless, there is some uncertainty out there.

- While consumer confidence appears to be on the rise, retail sales in late 2001 were flat despite the lessened threat of terrorism and the general feeling that the war in Afghanistan was going well.
- There is some discussion of OPEC cutting back on generous supplies over the past year, which could push oil and energy prices higher again.
- Despite strong monetary policy and a variety of federal stimulus efforts before and after the terrorist attacks, both the consumer and business sectors appear sluggish.
- Most economists agree that the key to securing a recovery would be a healthy rise in the equity markets. A rise in the equity markets will bolster investment as well as consumer and business confidence. But despite some encouraging signs in the economy, a stock recovery still seems elusive.

Despite encouraging economic signs, through the end of calendar 2001, the NASDAQ was still down 61 percent from its recent peak. The S & P 500 was still down 25 percent.

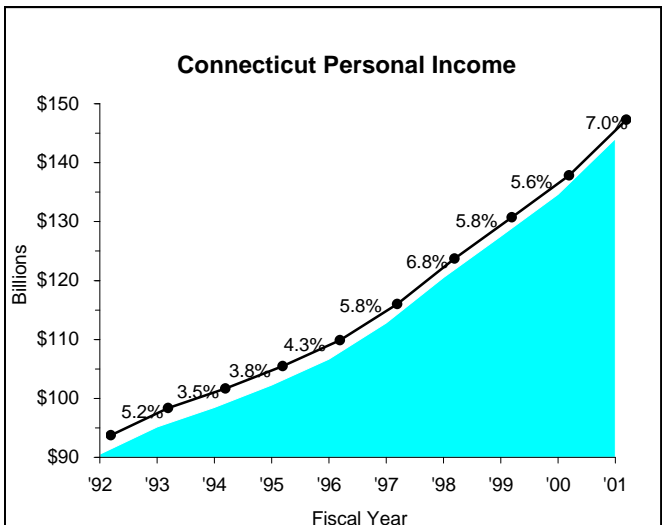
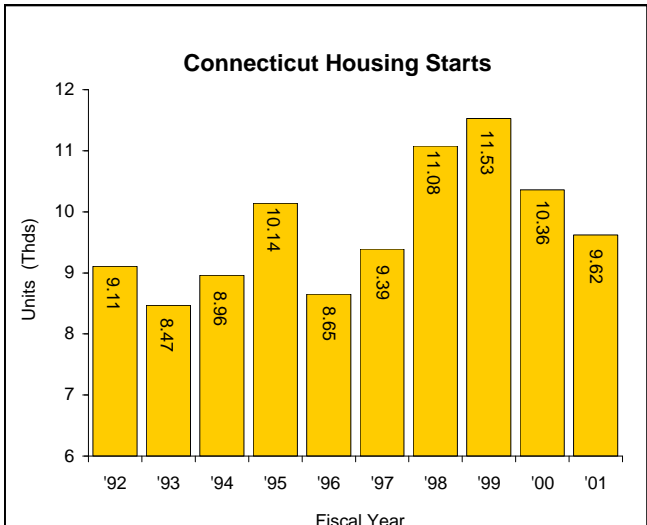
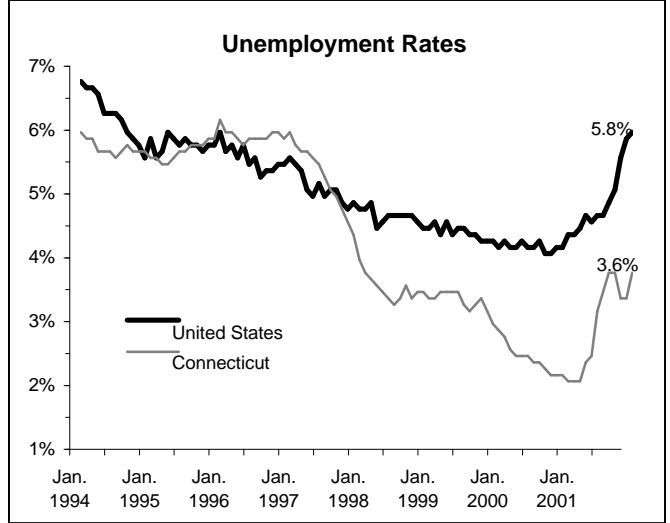
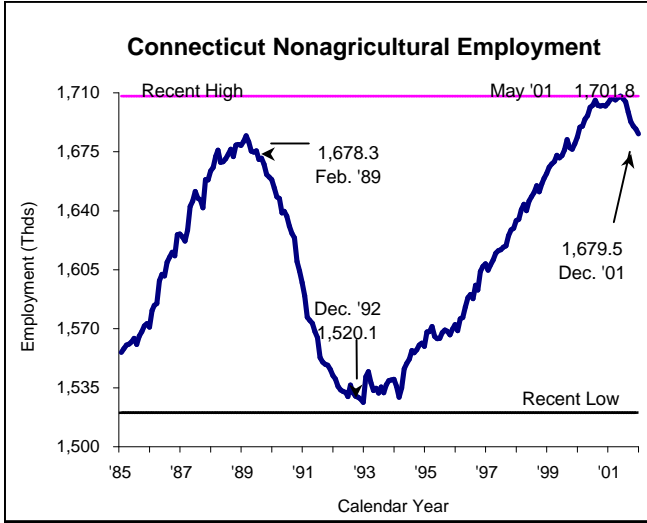
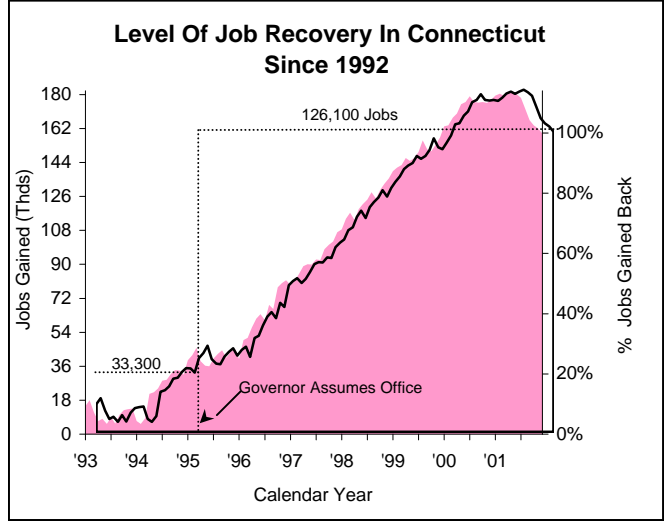
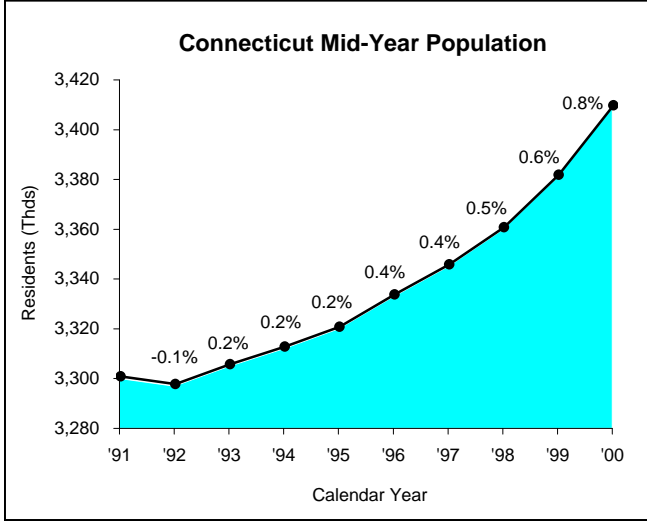
The Dow has flirted with the 10,000 mark several times over the past several months, but somehow cannot reach it and break through for a sustainable period. And if the markets continue to act whimsically, or if the market were to drop considerably again, the probability of a steady recovery would diminish greatly. And with it would drop consumer and business confidence.

The importance of the rise in the equity markets to Connecticut cannot be overstated. First, because of its wealth, Connecticut has traditionally been linked much more closely to the markets. Residents have more assets in the market than in other states. Second, given the concentration of jobs in the FIRE sector, a market rise is vital to employment growth in Connecticut.

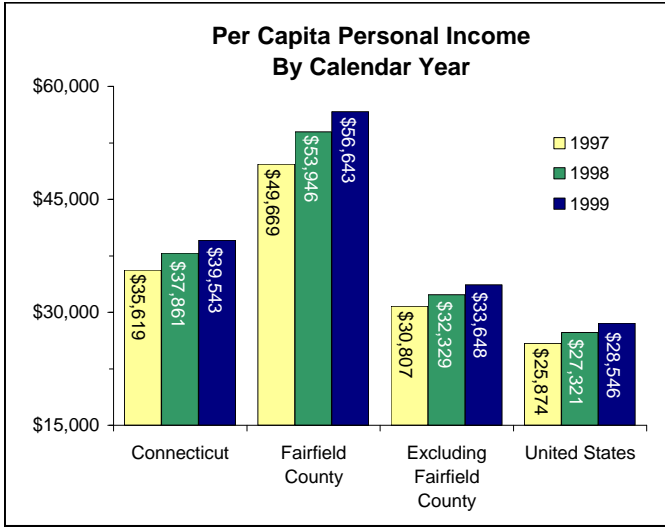
In the end, these are simply caveats. Most indices are pointing in the right direction and Connecticut has much to fall back on – a highly educated and skilled work force, a strong and growing presence in the cutting edge bio-technology and high-tech industries, a renewed and diversified economy, a high per capita income that provides a solid economic base and helps weather recessionary storms.

A mix of healthy optimism and fiscal prudence is the right recipe for capitalizing on the recovery.

Connecticut at a Glance



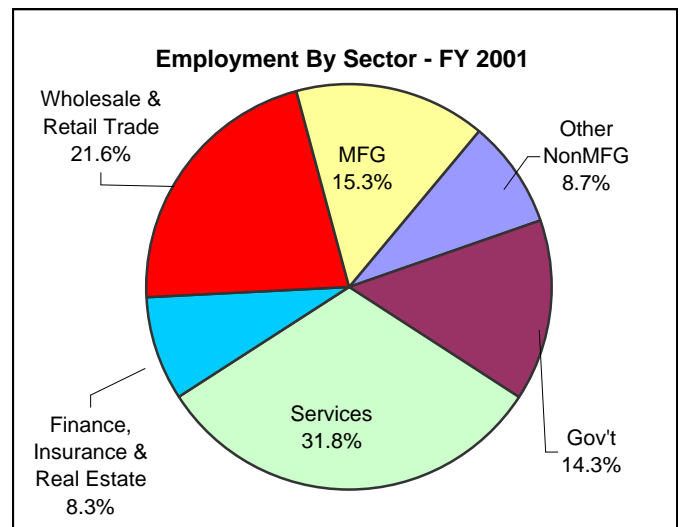
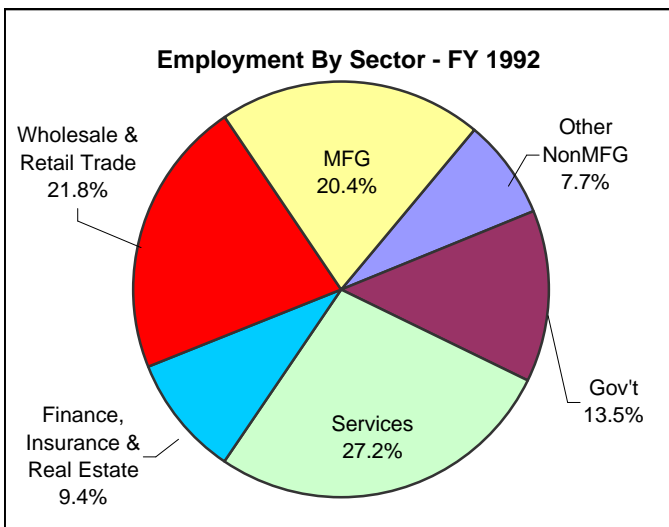
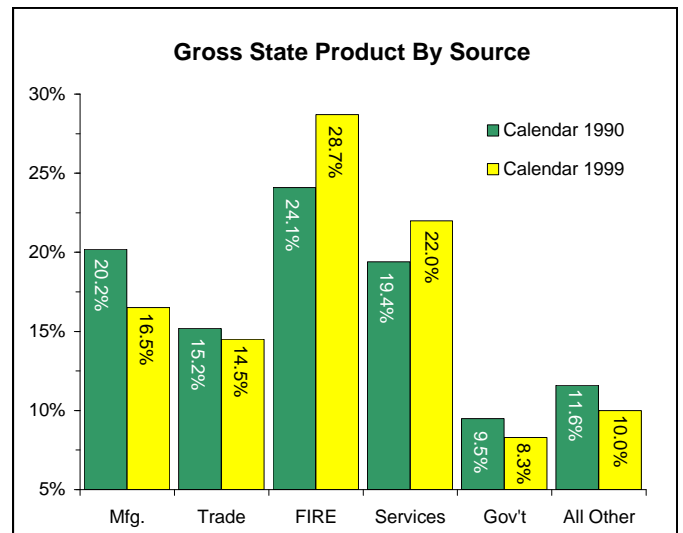
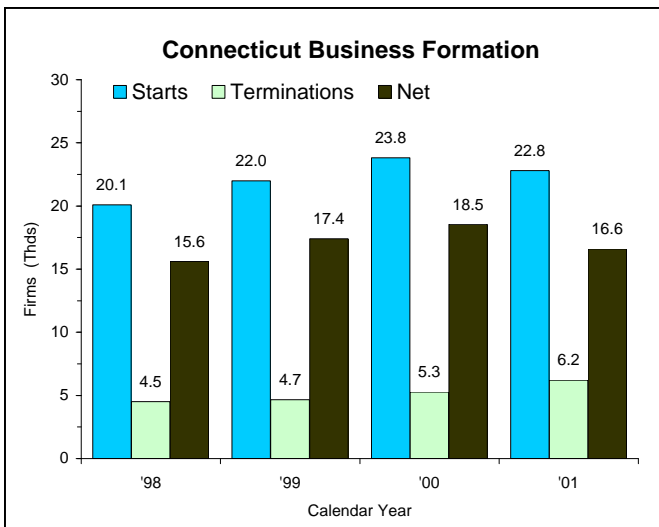
Connecticut at a Glance



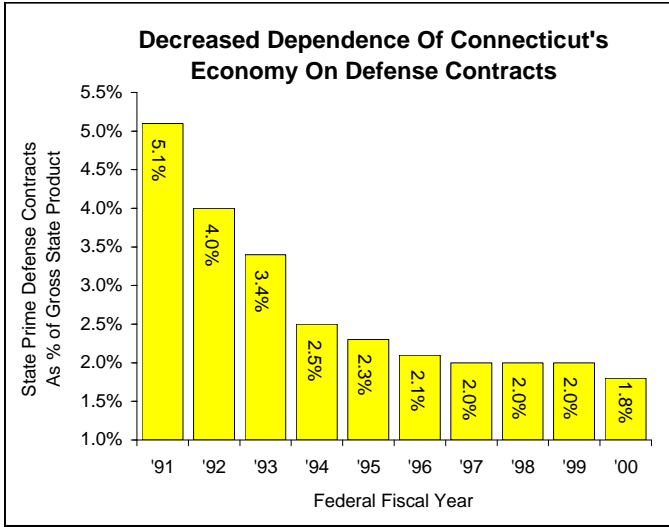
Per Capita Personal Income Fiscal 2000 Rankings

Rank	State	Per Capita Income	Rank	State	Per Capita Income
1.	Connecticut	\$39,506	46.	Montana	\$21,856
2.	Massachusetts	\$35,946	47.	Arkansas	\$21,384
3.	New Jersey	\$35,523	48.	New Mexico	\$21,276
4.	New York	\$33,258	49.	West Virginia	\$21,231
5.	Maryland	\$32,462	50.	Mississippi	\$20,458

U.S. Average = \$28,463 - making CT 1.39 times the U.S. Average.



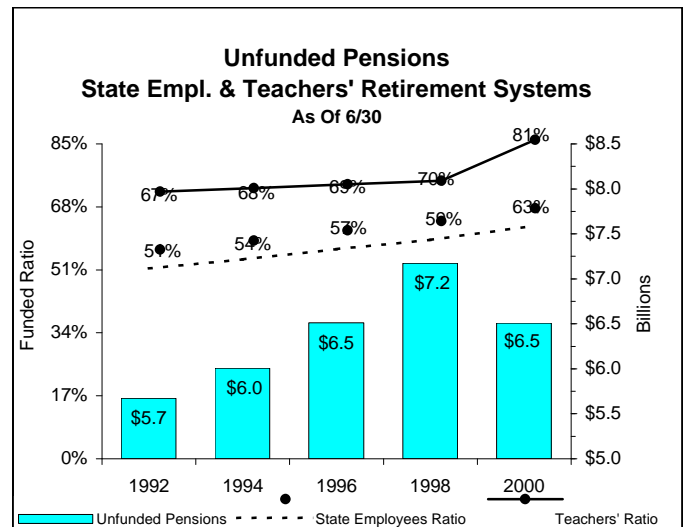
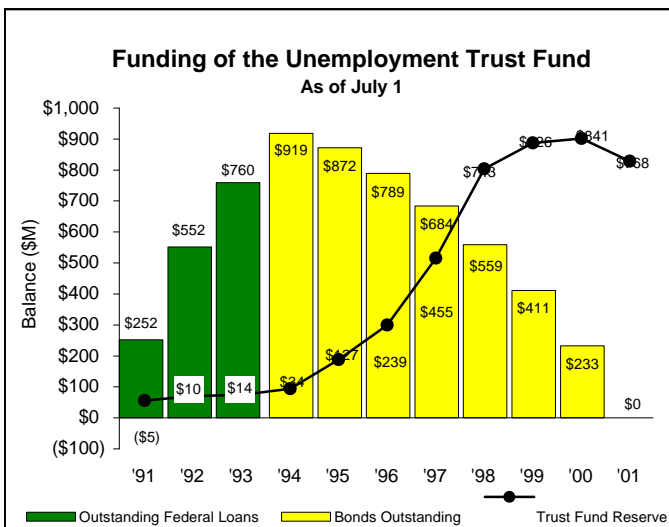
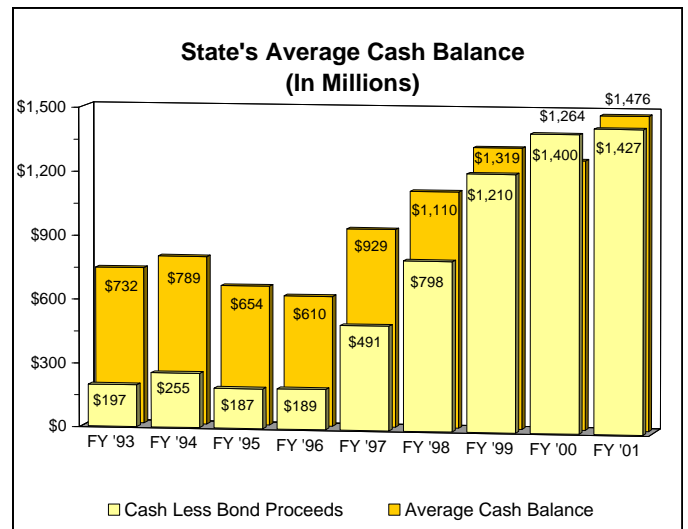
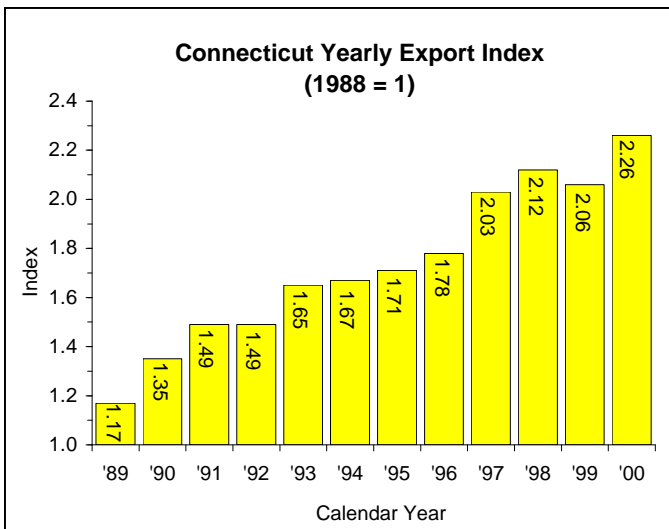
Connecticut at a Glance



Major Corporate Headquarters In Connecticut National Rankings By Revenues

Company	Rank	Company	Rank
1. General Electric	5	8. Northeast Utilities	305
2. Aetna	63	9. Praxair	346
3. United Technologies	64	10. Pitney Bowes	379
4. Tosco	72	11. Oxford Health	408
5. Xerox	109	12. Ames Dept. Stores	418
6. Hartford Financial	129	13. Emcor Group	471
7. Union Carbide	284		

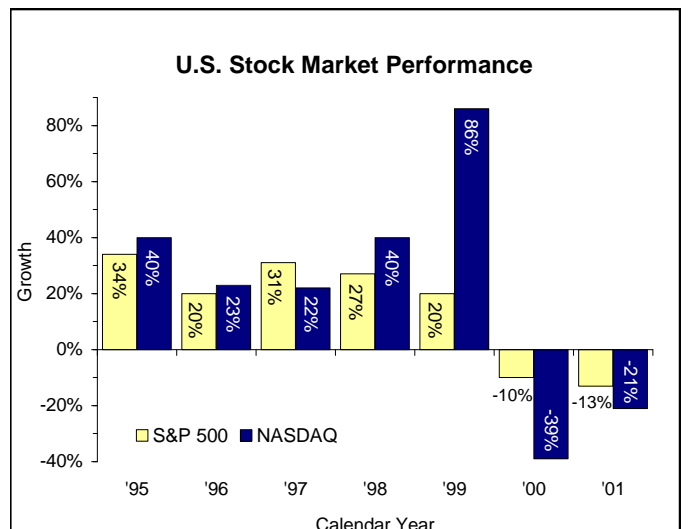
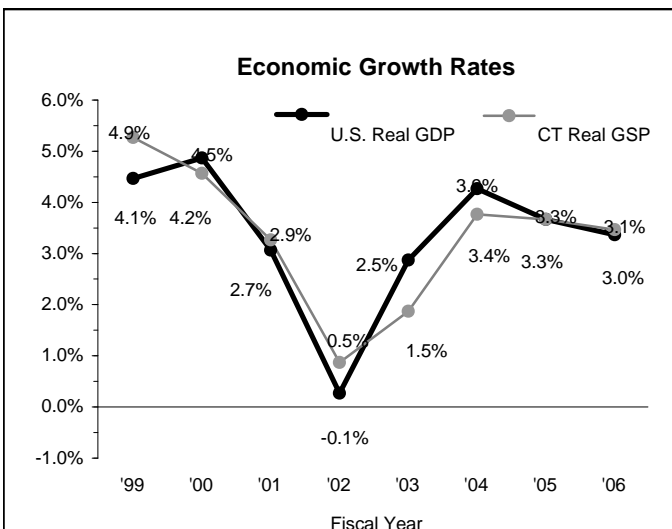
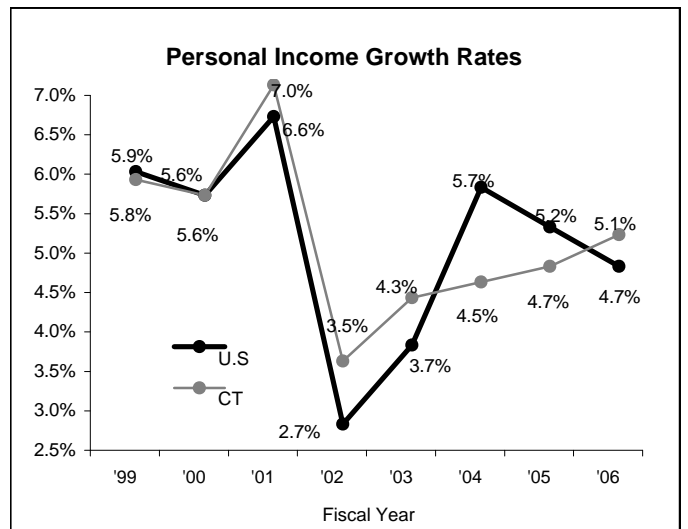
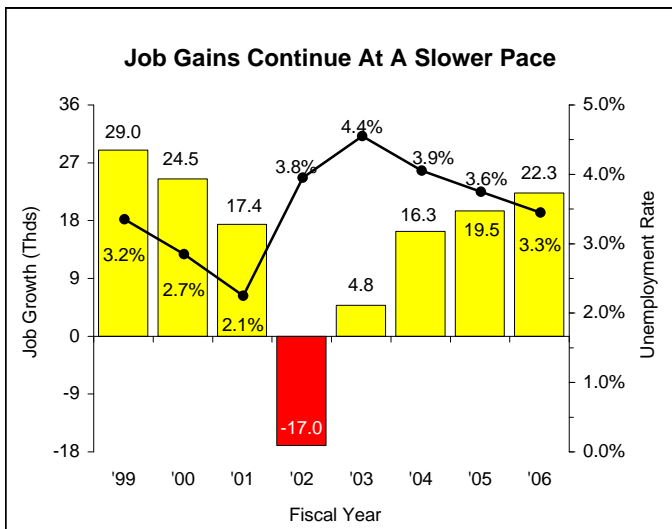
Source: FORTUNE Magazine, "500 Ranked Within States" (4/16/01) Calendar 2000



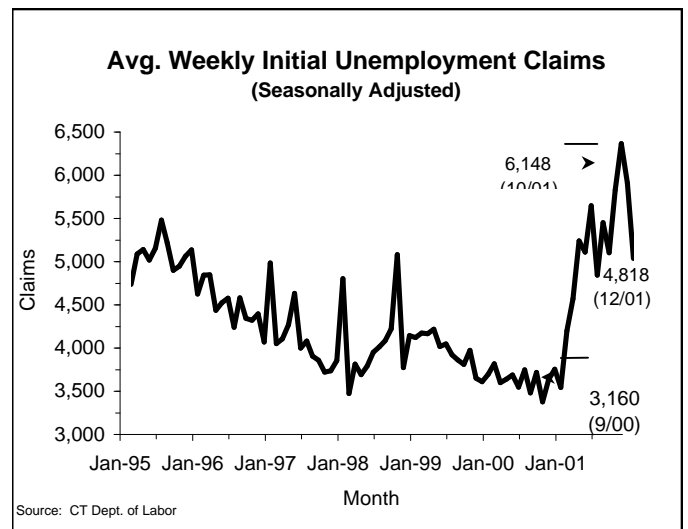
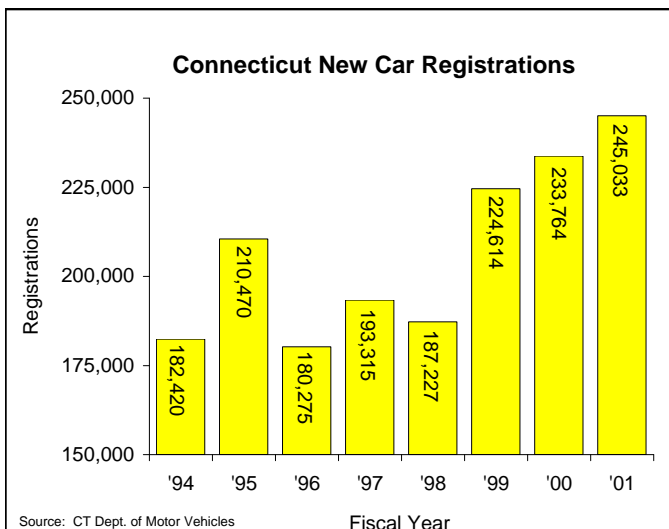
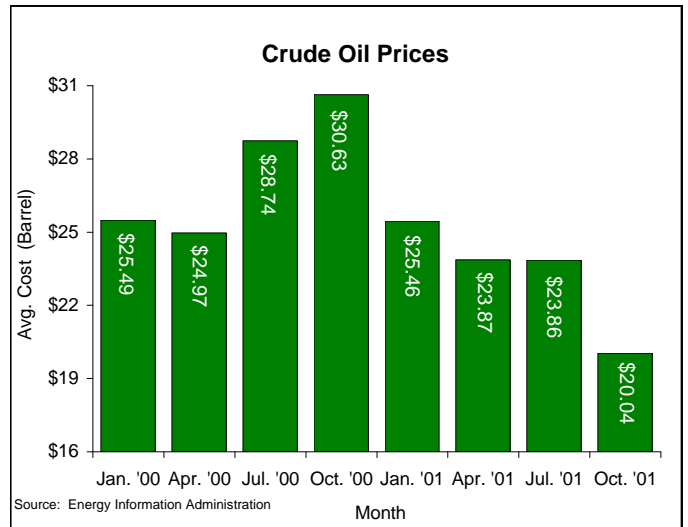
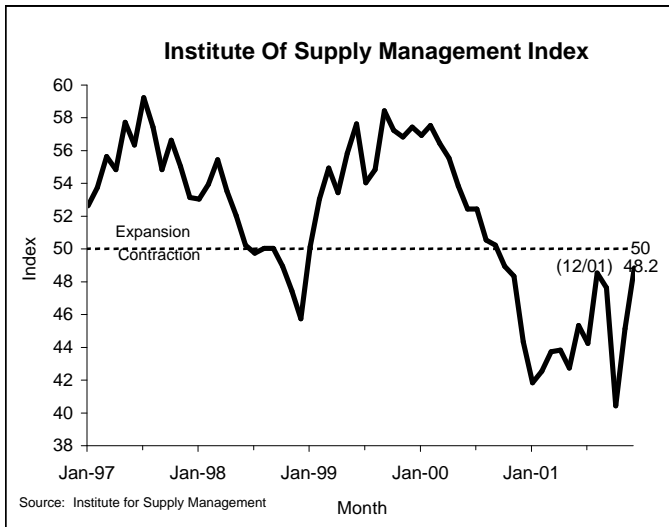
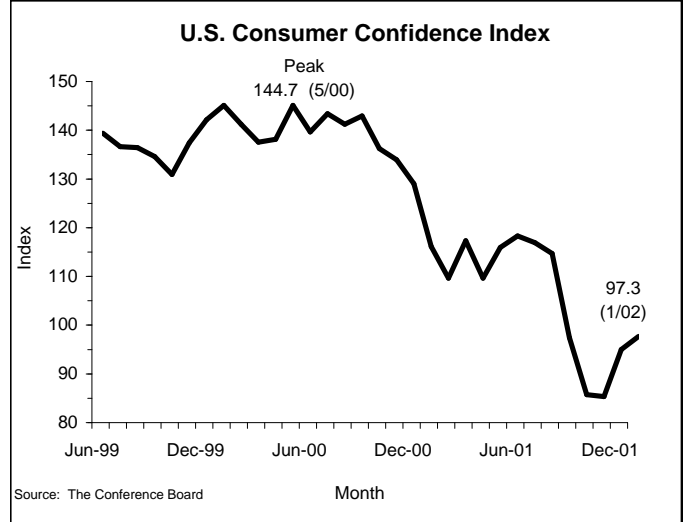
What Does the Future Hold?

Connecticut Economic Indicators						
	<u>FY '01</u>	<u>FY '02</u>	<u>FY '03</u>	<u>FY '04</u>	<u>FY '05</u>	<u>FY '06</u>
Personal Income	7.0%	3.5%	4.3%	4.5%	4.7%	5.1%
Employment	1.0%	-1.0%	0.3%	1.0%	1.1%	1.3%
Unemployment	2.1%	3.8%	4.4%	3.9%	3.6%	3.3%

U.S Economic Indicators						
	<u>FY '01</u>	<u>FY '02</u>	<u>FY '03</u>	<u>FY '04</u>	<u>FY '05</u>	<u>FY '06</u>
G.D.P.	5.1%	1.8%	4.1%	6.3%	5.5%	5.1%
Real G.D.P.	2.7%	-0.1%	2.5%	3.9%	3.3%	3.0%
Personal Income	6.6%	2.7%	3.7%	5.7%	5.2%	4.7%
CPI	3.4%	2.1%	2.4%	2.6%	2.6%	2.4%



What Does the Future Hold?



The FY 2002-03 Adjusted Budget Plan

The spending plan

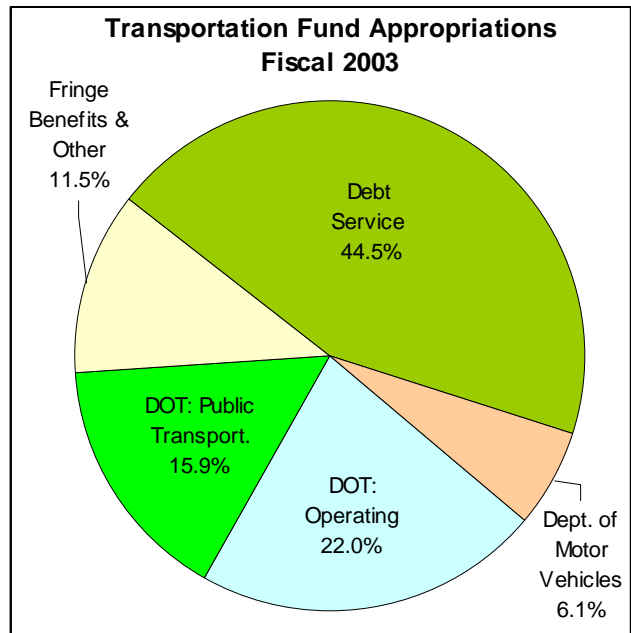
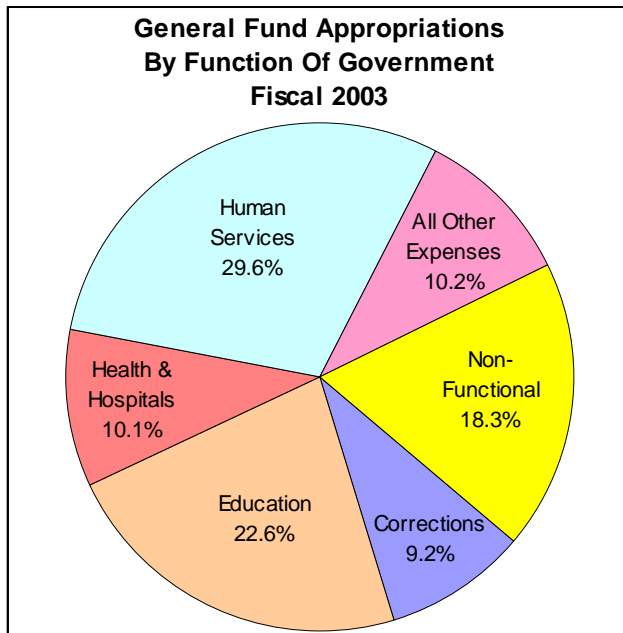
As outlined earlier, because of the steep drop in revenues in the general fund this fiscal year, the FY 2002-03 adopted budget was put well out of balance. Because revenues are anticipated to fall \$467.6 million below budget this fiscal year, a revenue hole of \$525.8 million was created for FY 2002-03. In addition, technical adjustments to the adopted budget because of caseload and other demands have added another \$108 million in costs to the adopted budget bottom line, pushing the gap in FY 2002-03 to about \$633 million. Measures taken to close the shortfall will be discussed later.

The Legislature passed a biennial budget for FY 2001-03 totaling \$26.474 billion. In FY 2001-02, all funds spending was appropriated at \$12.956 billion, with FY 2002-03 appropriated at \$13.518 billion. General fund spending in FY 2001-02 was budgeted for \$11.894 billion, with FY 2002-03 appropriations at \$12.431 million.

Total FY 2001-02 expenditures, including additional expenditures and reductions taken during the November Special Session, are currently estimated to be \$12.964 billion, or \$8 million more than appropriated. Estimated general fund spending for FY 2001-02 stands at \$11.899 million, or \$5 million more than the original appropriation, despite deficiency spending and surplus adjustments totaling \$83.6 million.

	Estimated FY '02	Recommended FY '03
General Fund	\$11,898.7	\$12,387.8
Special Transportation Fund	844.3	878.2
Mashantucket Pequot & Mohegan Fund	135.0	135.0
Soldiers', Sailors' & Marines' Fund	3.4	3.6
Regional Market Operating Fund	0.9	0.9
Banking Fund	15.0	15.9
Insurance Fund	21.5	21.3
Public Utility Control Fund	20.4	21.0
Workers Compensation Fund	23.4	24.3
Criminal Injuries Compensation Fund	1.5	1.5
Grand Total	\$12,964.0	\$13,489.6

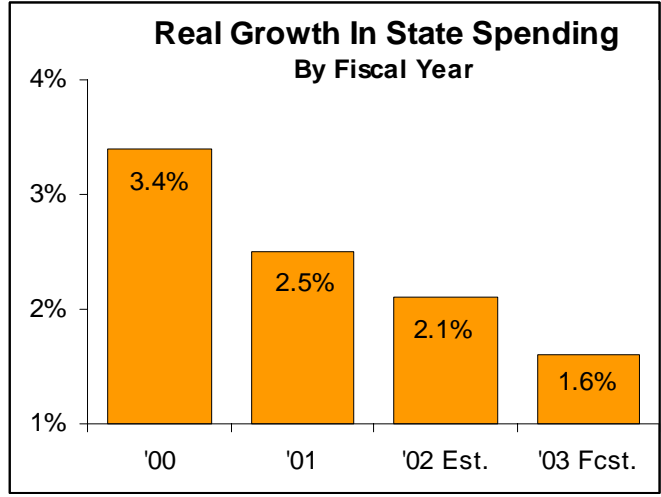
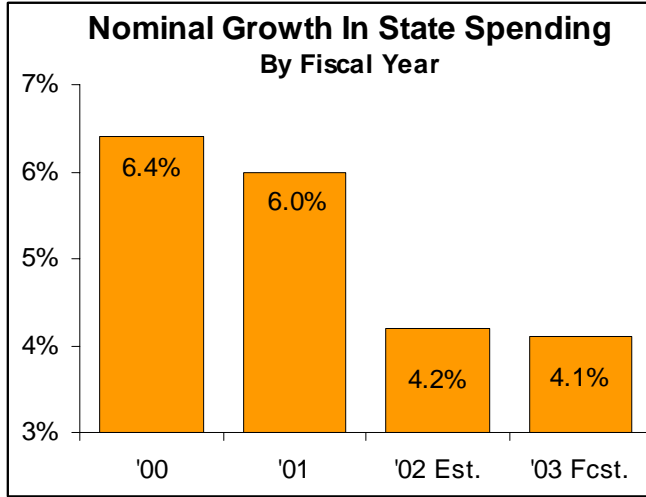
Governor Rowland is proposing an adjusted FY 2002-03 all funds appropriation of \$13.490 billion, about \$28 million less than the original appropriation. The new general fund recommendation for FY 2002-03 is \$12.388 billion, a \$43 million reduction from the original appropriation. That reduction is despite the need to annualize \$108 million in deficiencies and other current services adjustments.



INTRODUCTION

Based on the Governor's amended FY 2002-03 budget proposal, spending would increase in the general fund by \$489.1 million from estimated expenditures this fiscal year. All funds spending in FY 2002-03 would grow by \$525.6 million compared with estimated expenditures this fiscal year.

Based on the new estimated FY 2001-02 expenditures, all funds growth in the current fiscal year is expected to be just 4.2 percent, down from 6 percent last fiscal year. The adjusted budget for FY 2002-03 would mean a 4.1 percent all funds growth rate next fiscal year. Inflation-adjusted growth would be 2.1 percent in the current fiscal year and just 1.6 percent in FY 2002-03.



Because of the prohibition under the constitution and the statutes to appropriate for deficiencies if there is insufficient revenue, Governor Rowland is proposing to cover deficiency spending this fiscal year through the reallocation of monies from the FY 2000-01 surplus. That, in concert with the deappropriation of monies during the November special session, places the state about \$98.5 million under the constitutional spending cap this fiscal year, compared with \$78.2 million when the budget was passed.

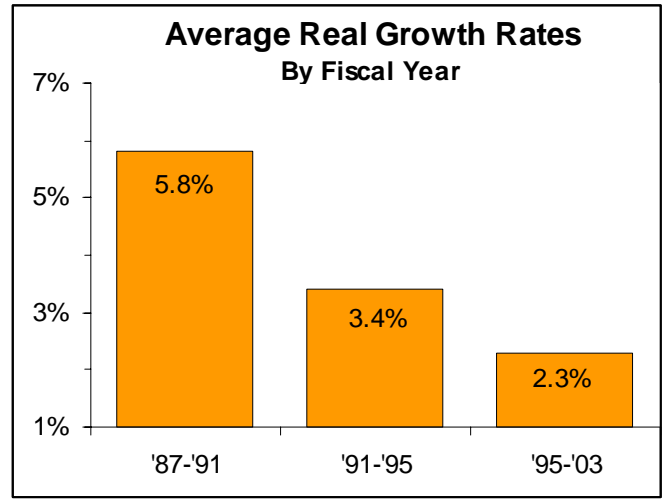
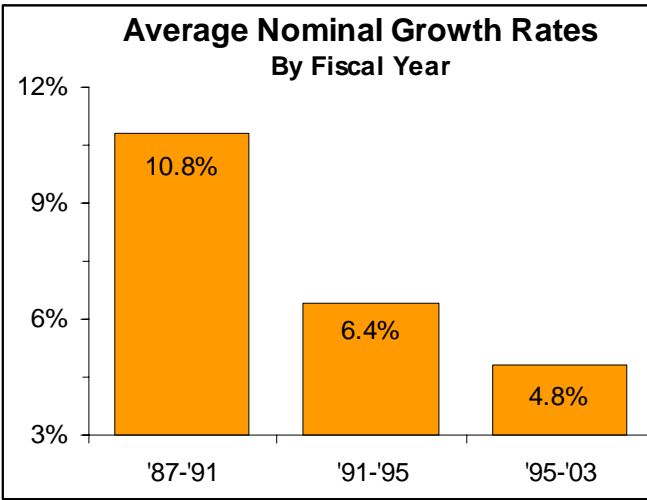
Governor Rowland is proposing an adjusted budget that is \$94.4 million under the spending cap, compared with an adopted budget last session for FY 2002-03 of just \$63 million under the spending cap. The \$94.4 million leaves a comfortable amount of room to cover deficiencies that could crop up in the budget next fiscal year.

The average amount of deficiencies over the last five years has been \$87.5 million. Deficiencies in the current fiscal year total \$93 million; \$84.4 million in the general fund (including \$14 million that liquidates a health-care tax credit but does not impact the bottom line) and \$4.6 million in the transportation fund.

The frugality of this fiscal year's budget and next continue an era of responsible budgets since Governor Rowland came to office in 1995. The total average annual growth for the eight budgets he has proposed is just 4.8 percent, compared with 6.4 percent annually on average during the Weicker years and 10.8 percent on average annually from FY 1987-91.

FY	Amount
2002 *	\$93.0M
2001	\$139.8M
2000	\$68.2M
1999	\$27.7M
1998	\$108.8M
5 Yr. Avg.	\$87.5M
* Estimate	

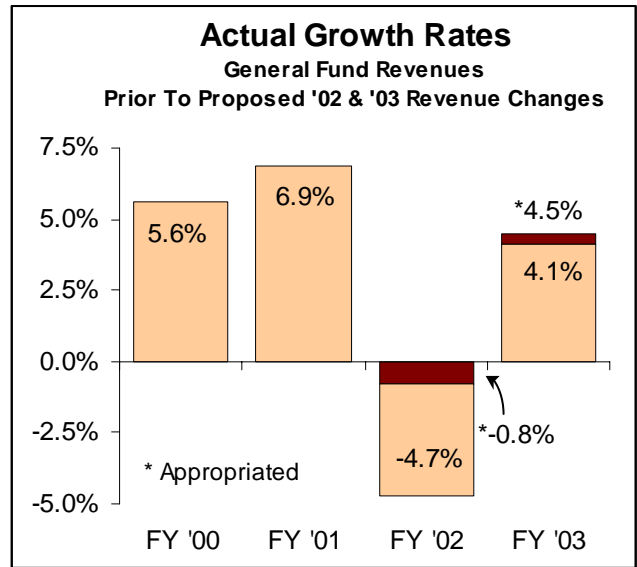
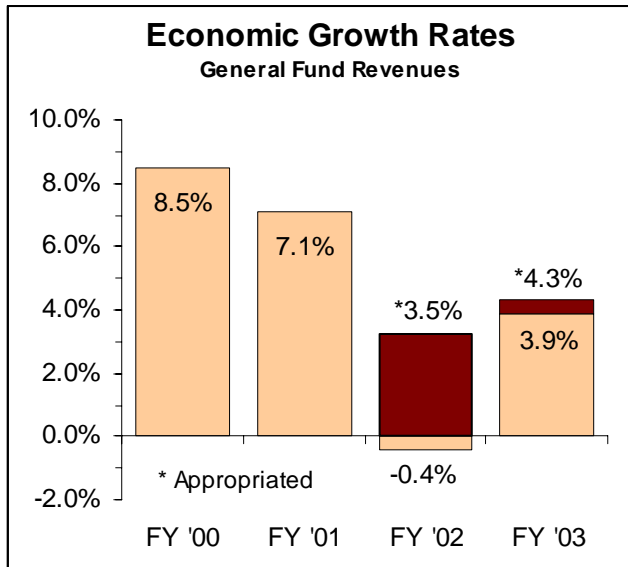
Inflation-adjusted spending growth under Governor Rowland is just 2.3 percent on average annually, compared with 3.4 percent under Governor Weicker and 5.8 percent from FY 1987-91.



Revenue forecasts

The revenue side of the budget is based on prudent and realistic assumptions of growth coming out of the recession. While some of the growth rates may appear high, it is important to remember that they are based on extremely sluggish revenue growth – in some cases contraction – this fiscal year. Because of the uncertainty in the stock market, the revenue assumptions assume only a modest rebound in capital gains realizations in the state.

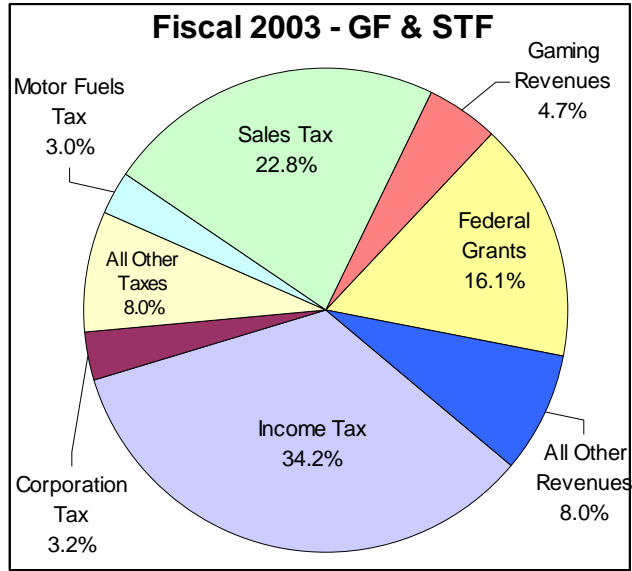
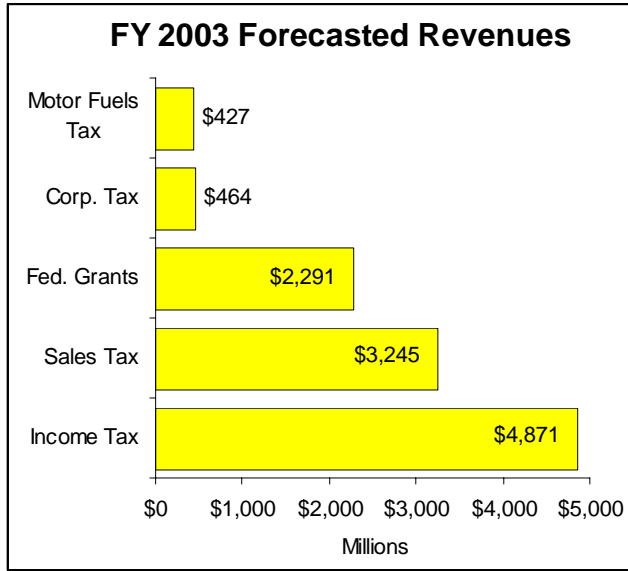
The economic growth rate for revenue in FY 2001-02 is estimated to be negative 0.4 percent, down from a budgeted 3.5 percent positive rate. The actual growth rate (in part because of the suspension of the hospital sales tax in return for reducing appropriations in that area) is now forecast to contract by 4.7 percent, versus a budgeted contraction of 0.8 percent.



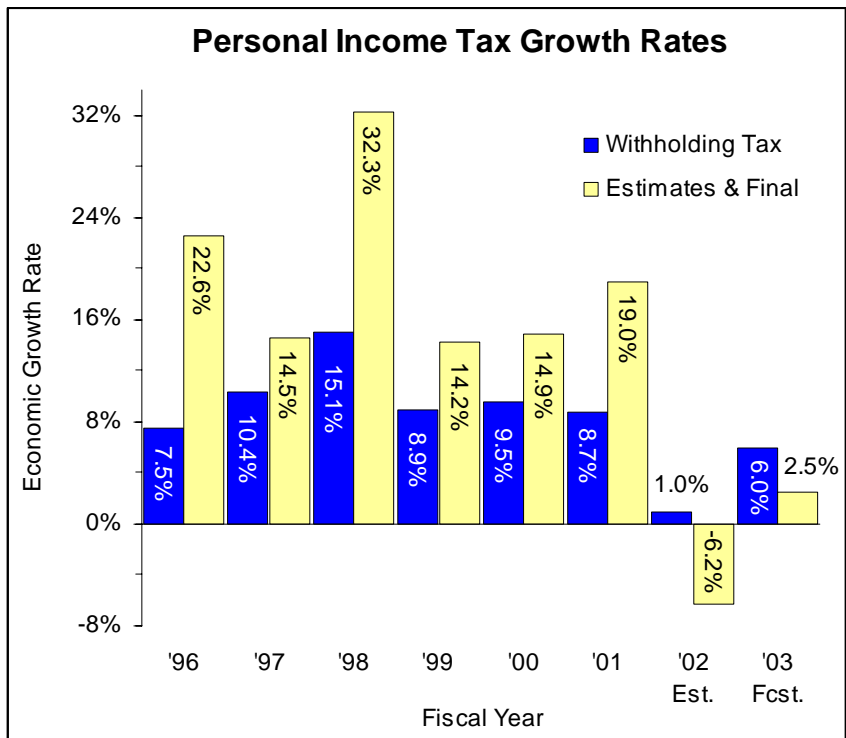
Going into FY 2002-03, revenues should grow on an economic basis by 3.9 percent. A 4.3 percent rate was actually budgeted last session. The actual growth rate in revenues based on the Governor's revised plan will be 4.1 percent, down from a budgeted 4.5 percent.

From its largest revenue generator, the budget is anticipating \$4.871 billion in FY 2002-03, up from an estimated \$4.652 billion this fiscal year. The new FY 2002-03 estimate is down some \$239 million

below what was first budgeted. (This fiscal year's income tax collections are estimated to be about \$189 million below budget.)

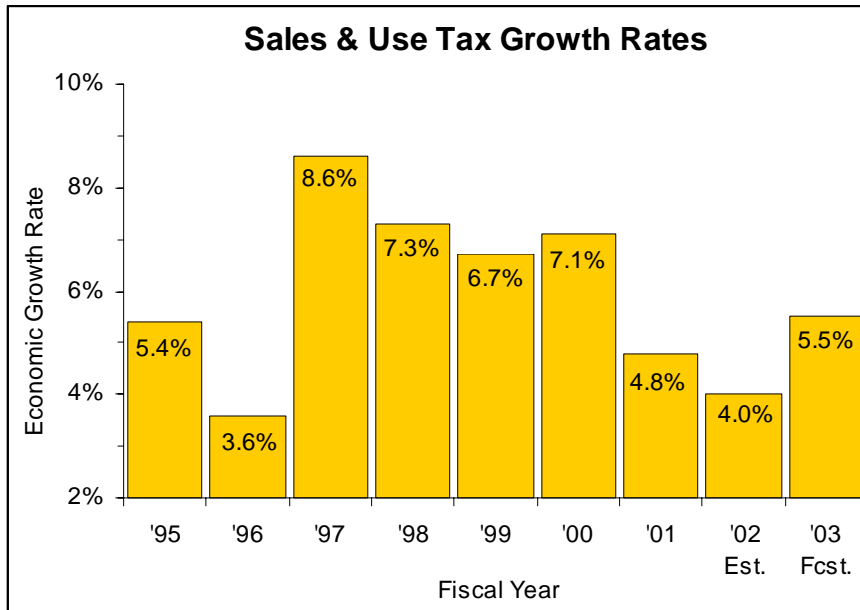


On the withholding side of the income tax, the adjusted budget proposal assumes a 6 percent growth rate, up from an estimated 1 percent this fiscal year. Given that personal income growth is expected to rebound to 4.3 percent in FY 2002-03 and given the elasticity of the income tax, the 6 percent assumption is not unreasonable. While the current fiscal year is difficult to explain, the assumption is in line with what has historically happened. For example, in FY 2000-01, personal income growth was 7 percent and withholding growth was 8.7 percent.



As for the estimates and finals side, the adjusted budget proposal assumes a modest growth of 2.5 percent. That is based on the fact that the category this fiscal year will contract by about 6.2 percent. The assumption is that the negative growth experienced during FY 2001-02 will have removed from the tax base the excess gains from the irrational exuberance experienced in the markets in the late 1990s. Together with the base correction, modest gains in sole proprietorships and other entities should yield positive growth.

From its next largest revenue generator, the adjusted budget assumes sales tax collections in FY 2002-03 of \$3.245 billion, up \$153 million from estimated collections this fiscal year. The estimate is down \$73 million from the original budgeted amount (This fiscal year's collections will be down \$102 million.) A growth rate of 5.5 percent is assumed. Given the anticipated recovery, that rate is reasonable as the sales tax is anticipated to grow by about 4 percent this fiscal year in a much more



sluggish economy. Included in the estimate is some minor delays in tax cuts scheduled to go on line as well as a pickup in sales tax collections because the increased excise tax will drive up the price of cigarettes.

The corporate tax is anticipated to rebound from a double-digit contraction this fiscal year. The assumed economic growth rate is 5 percent, or about \$32 million, to a total of \$464 million. In the current fiscal year, the single factor apportionment program came on line for

manufacturers and broadcasters. The change allows certain corporations to use the single factor of sales in determining their income tax liability. In the past three factors were used: sales (double-weighted), property, and payroll. Such a system hurt the competitiveness of in-state manufacturers who had large investments in payroll and capital plants, but did most of their sales outside the state. Many states have moved to this more favorable method of calculating corporate tax liability. While manufacturing jobs declined considerably this fiscal year (down as much as 5 percent), without the tax reduction (which saves manufacturers about \$20 million annually), the job losses may have been more significant.

The inheritance tax is anticipated to drop by \$31 million next fiscal year. There is a modest growth assumption of 2 percent as well as a loss of \$36 million due to the first year of the phaseout of federal revenue sharing with states. That number grows to at least \$190 million over the next four years.

Transfers from the Connecticut Lottery Corporation are expected to drop by about \$6 million because of the extraordinary Powerball ticket sales this fiscal year when the jackpot grew to near record levels.

Indian gaming payments are anticipated to jump to almost \$400 million next fiscal year, up an estimated \$19 million from this fiscal year. Because of the expansion of the Mohegan Sun, \$20 million has been added to anticipated revenue for the current fiscal year. After netting corporation tax collections by annual refunds, Indian gaming payments are now the third-largest state-revenue source in the general fund. Next fiscal year it will fall just short of overtaking the motor fuels tax, which funds the Special Transportation Fund.

Motor fuels taxes are anticipated to grow at three-quarters of one percent next fiscal year, to \$427 million.

The innovative research and development tax credit exchange program is budgeted to grow from \$16 million in costs to a minimum of \$20 million in cost next fiscal year. The program allows entities with no corporate tax liability to exchange a tax credit for 65 cents on the dollar. In this fiscal year (the first year), 36 entities participated, pushing the cost up \$2 million beyond budget.

Federal grant revenue is estimated to increase by almost \$132 million next fiscal year. Part of that is driven by increased costs and caseload, but a portion is driven by revenue maximization efforts undertaken by the administration.

Closing the FY 2002-03 gap

Governor Rowland's adjusted budget for FY 2002-03 closes the entire \$633 million gap outlined above. The adjusted budget addresses the needs of state residents, many of whom are suffering the fallout of the recession, while ensuring budgetary balance in a reasonable fashion. It mixes a healthy dose of spending reductions with permanent revenue enhancements and some reasonable one-time revenues to responsibly weather what is anticipated to be the few remaining months of the recession.

As noted earlier, the Governor's adjusted FY 2002-03 budget does not stoop to prospectively appropriating Rainy Day funds to balance the budget from the outset, as was done leading up to the FY 1990-91 billion-dollar deficit crisis.

As the accompanying chart shows, the adjusted budget closes the gap in the following manner (Most of these initiatives are covered in greater detail later on in this document.):

CLOSING THE FY 2002-03 GAP		
(In Millions)		
Estimated General Fund Revenues-Current Services		11,906.2
FY 02-03 General Fund Appropriation	12,431.4	
Technical Adjustments	108.0	
FY 2002-03 Revised Current Services	<u> </u>	<u>12,539.4</u>
Balance 6/30/03		(633.2)
 EXPENDITURE CHANGES		
Reductions	<u>(204.2)</u>	
FY 2002-03 Revised Balance		(429.0)
Expansion Options	<u>52.6</u>	
FY 2002-03 Revised Balance		(481.6)
 REVENUE CHANGES		
Increase Cigarette Tax	<u>129.3</u>	
FY 2002-03 Revised Balance		(352.3)
Anthem Demutualization	<u>98.0</u>	
FY 2002-03 Revised Balance		(254.3)
Transfer Funds From Quasi-Public Sources	<u>100.0</u>	
FY 2002-03 Revised Balance		(154.3)
Transfers from Tobacco Settlement/Tobacco Health/Biomedical Funds	<u>57.0</u>	
FY 2002-03 Revised Balance		(97.3)
Tax Deferrals, Escheats, Fees	<u>37.6</u>	
FY 2002-03 Revised Balance		(59.7)
Revenue Maximization	<u>44.1</u>	
FY 2002-03 Revised Balance		(15.6)
All Other Net Revenue Changes	<u>16.0</u>	
FY 2002-03 Revised Balance		<u>0.4</u>

- Gross reductions totaling \$204 million. Included in this number are reductions to help cover a limited number of program expansions amounting to \$26.3 million (not including appropriations for the conversion of the HUSKY tax credit).
- Increasing the cigarette tax by 61 cents a pack for \$129.3 million annually (including increased sales taxes).
- A one-time transfer of \$100 million from three quasi-public agencies that have received financing from state bond proceeds.
- Use of \$98 million in the Anthem Demutualization Fund as a one-time revenue to cover the increasing costs of state health care.
- Sweeping the Tobacco and Health Trust Fund of \$37 million in principal and the Biomedical Research Fund of \$4 million in principal. In addition, \$16 million that was bound for these two funds in FY 2002-03 will also be diverted to the general fund.
- Requiring that unclaimed bottle deposits escheat to the state to increase revenue by \$15 million annually.

- Delaying a series of tax cuts, repeal of a tax credit, minor fee increases, transfers from other funds to the general fund, elimination or reduction in transfers to other funds of general fund revenue, and an increase to the Mashantucket Pequot/Mohegan Fund to sustain payments to towns at current levels will generate a net of \$30.4 million, after \$3 million in minor tax cut adjustments.
- A \$52.3 million net increase in federal funding (FFP), after reductions in FFP for program reductions, increases in FFP for program expansions, and revenue maximization efforts.

How do you justify balancing the budget with one-time revenues?

Between \$250 million and \$300 million of the \$633 million revenue hole was closed with one-time revenues. While arguably it is not good practice to do so, given the size of the budget gap and the fact that the state is on the verge of coming out of a recession, utilization of one-time revenues is justified.

First, in previous years, imbalances were greater on much smaller bases. The state has always managed to balance its budget despite these outyear gaps. Use of the one-time revenue allows the state to incrementally reduce costs over time, rather than cutting even deeper now.

Second, the one-time revenue adds up to about 2 percent of total spending. While we are not claiming we can grow our way out of the situation completely, better-than-expected revenue growth could make up for the one-time revenue. That is especially the case as the economy comes back to a healthy growth scenario over the next several years. Essentially, we are using this one-time revenue as a stopgap until healthy revenue growth returns.

Third, the use of the revenue ensures the state does not have to decimate programs during the recession, when individuals tend to rely on government services the most.

Fourth, this is a trade off to ensure that the Rainy Day Fund is not tapped in advance and that a healthy sum stays available in case the economic picture worsens.

Tax Changes and Revenue Enhancements

Because of the major gap in the FY 2002-03 budget, Governor Rowland is proposing a series of revenue enhancement initiatives designed to mitigate the need for additional spending reductions.

The revenue enhancements are based on several premises:

- The one-time revenues are a small part of the overall budget and help ensure that the Rainy Day Fund is not raided prospectively just to balance the budget.
- The tax delays endorsed here are just that – delays. The tax reductions will go into effect once the revenue picture clears up and the economy returns to full health.
- The Governor continues to resist raising broad-based taxes. To the degree he is endorsing an increase in tobacco-related taxes, it is based on the fact that such taxes are essentially paid by citizens who choose to smoke. In that sense it is a “voluntary” tax.

Previous tax cuts are aiding the economy

Notwithstanding the lack of tax reductions proposed in this budget, Governor Rowland's record on tax reductions has made the state of Connecticut a competitive business environment. As important, the tax bite on individual residents is vastly lower than before.

Governor Rowland has signed into law tax reductions that when fully phased in amount to over \$2 billion. That it is an important figure because it wipes out the almost \$1.9 billion in tax increases passed leading up to and during the FY 1990-91 fiscal crisis.

Major Tax Cuts

Income Tax

- Added lower 3% tax rate
- Added a property tax credit now at \$500
- Phase in of higher standard deduction for single filers from \$12K to \$15K

Sales and Use Tax

- Suspended the tax on hospital services
- Increased clothing exemption from \$50 to \$75
- Instituted a tax free week for clothing in August
- Exempted college text books
- Phase out of property repair services such as painting, roofing, paving, etc. (by 7/01)
- Reduced tax on hospital services to 5.75%
- Exempted manufacturing repair and replacement parts
- Phase out of tax on computer and data processing services (by 7/03)

Corporation Tax

- Reduced tax rate from 11.5% to 7.5%
- Instituted single factor apportionment for manufacturers, broadcasters, and financial services
- Phased out S-corporation tax
- Extended the carry forward for NOL's from 5 years to 20 years
- Expanded credit & permitted exchange of unused R&D credits for smaller firms
- Instituted an Urban Reinvestment credit worth \$500 million over 10 years

Inheritance Tax

- Phase out of the Succession tax for all classes (by 1/06)

Motor Fuels Tax

- Reduced tax 14 cents or approximately 36%

Hospital Gross Receipts Tax

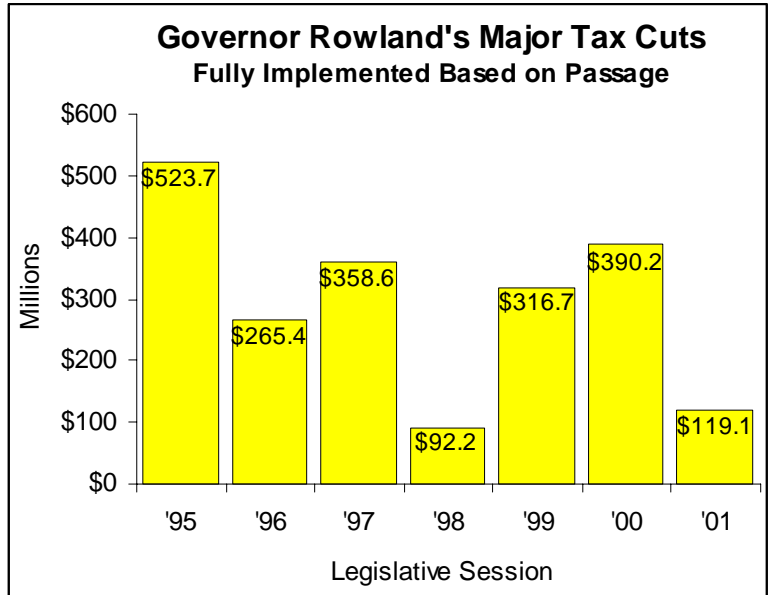
- Eliminated tax

The Governor's tax reductions hit almost every major tax. The personal income tax has been chopped by over \$700 million, with the introduction of a property tax credit and a lower 3 percent rate

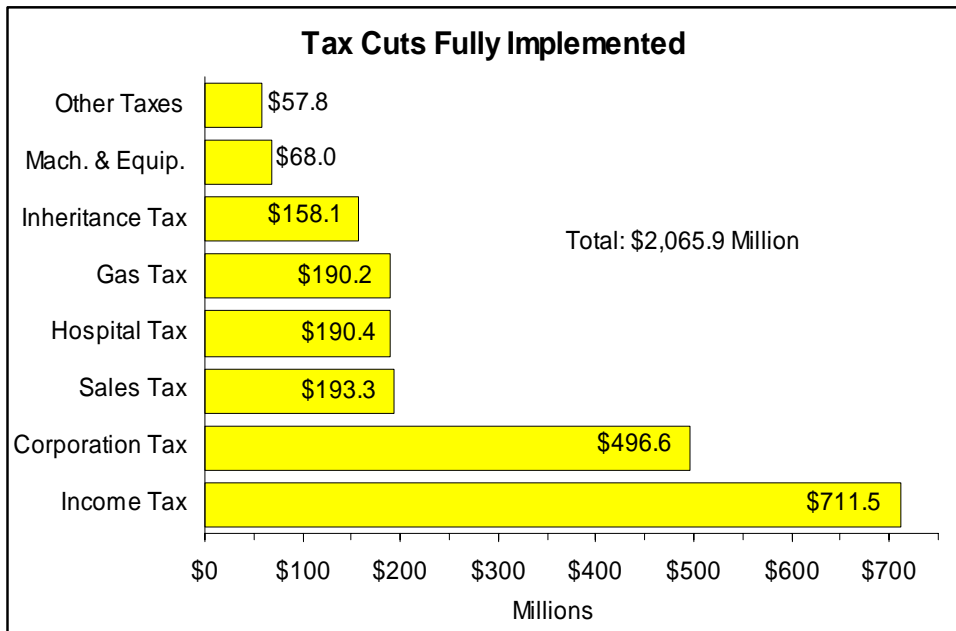
for middle-income individuals and families. Because of these reductions, more than 350,000 residents no longer pay any income tax. Almost two-thirds of all tax filers have received at least a 33 percent reduction in their income taxes.

The sales tax has seen numerous changes, including increasing the threshold under which clothing is not taxed to \$75 from \$50; institution of a back-to-school tax-free week; phasing out sales taxation on various home repairs; and the exemption of certain business transactions. Total reductions amount to almost \$200 million.

The corporate rate has been lowered by one-third to 7.5 percent; manufacturers and broadcasters can use the more-advantageous single-factor method of calculating taxes; S-corporations were moved to the lower-rate personal income tax; net operating losses can now be carried forward for 20 years; the R&D tax credit was expanded; and not-yet profitable small entrepreneurial startups can cash in R&D tax credits upfront for 65 cents to



obtain vital venture and investment capital. Total reductions approach \$500 million. Because of the rate reduction and tax credits, Connecticut now is competitive with other states and is well-placed to attract companies.



The inheritance tax is being phased out at a cost of \$158 million, with closest relatives already exempt from the tax.

The motor fuels tax has been reduced from 39 cents to 25 cents, saving motorists almost \$200 million annually.

The hospital gross receipts tax has been eliminated entirely, and the sales tax on hospital services has been suspended through FY 02-03. The hospital tax cost providers and consumers almost \$200 million. The sales tax suspension has saved in excess of \$100 million.

The tax on gifts under \$1 million is being eliminated over time.

Delays of tax cuts being phased in

Because of the revenue shortfall, Governor Rowland is proposing to delay for two years three tax changes that were scheduled to continue to be phased down in FY 2002-03. The effect will be that

state revenues will be bolstered by about \$21 million next fiscal year, with additional revenue increases in the outyears.

Delaying the gift tax elimination

The Governor is proposing to defer for two years the ongoing phasedown of the state gift tax. According to PA 00-170, the gift tax began being phased down on January 1, 2001. It was to be eliminated on gifts of under \$1 million beginning with tax year 2006. At that time, only gifts of \$1,000,000 or more would continue to be taxed. The tax at that time would be \$47,500 plus 6 percent of the excess over \$1,000,000.

Estimated Revenue Gain of Proposal (In Millions)			
<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
\$2.6	\$4.1	\$7.5	\$16.3

Under the plan, rates will be frozen at the 2001 rates and would begin being reduced again on January 1, 2004. The elimination on gifts under \$1 million would not occur now until tax year 2008. As can be seen in the chart, this action provides for significant revenue gains significant well into the future.

Maintain Sales Tax On Computer & Data Processing Service at 1 percent

The sales tax on computer and data processing services has been phased down 1 percent each year, starting from 6 percent, effective July 1, 1997. This phasedown was originally scheduled to begin July 1, 1996, but was delayed until July 1, 1997 because of revenue concerns. Currently, the tax rate sits at 1 percent. It was scheduled to be totally phased out on July 1, 2002.

Governor Rowland is proposing to maintain the 1 percent tax through June 30, 2004. Maintaining the rate at 1 percent generates \$9.7 million in revenue in FY 2002-03 and \$10.2 million in the following year. This tax is paid primarily by businesses, not consumers.

Delaying the increased exemption on single filers

PA 99-173 began gradually raising the \$12,000 exemption level on the income tax for single filers to \$15,000. This phase-in began for the income year commencing January 1, 2000 and is scheduled to be fully phased-in by January 1, 2007. At the same time, PA 99-173 raised the threshold amount where the exemption level begins to be phased-out. This threshold amount rises from \$24,000 in income year 2000 to \$30,000 by income year 2007.

The adjusted budget proposes to suspend the phase-in by two years effective January 1, 2002 and keep the exemption amount at the 2001 level of \$12,500. In income year 2002, the exemption level was scheduled to increase to \$12,750 with the phase-out beginning at \$25,500.

Estimated Revenue Gain of Proposal (In Millions)			
<u>FY 2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
\$9.0	\$19.9	\$30.0	\$33.6

Approximately 300,000 filers will be impacted by this change. The lost tax benefit to single filers in income year 2002 would range from approximately \$2 to \$25 per return. For income year 2003, these amounts would rise to between \$4 and \$78 per return.

It is estimated that this deferral will save \$9 million in FY 2002-03.

The table below shows the total revenue enhancement for the three tax cuts being delayed:

Delay of Previously Enacted Tax Reductions (In Millions)		Fiscal 2002-03
<u>Income Tax</u>		
Delay for 2 years the phased-in increase in the exemption for single filers.		\$ 9.0
<u>Sales Tax</u>		
Delay for 2 years the phase-down of the sales tax on computer and data processing services.		\$ 9.7
<u>Gift Tax</u>		
Delay for 2 years the phase-down in the gift tax.		\$ 2.6
Total		\$ 21.3

Increasing taxes on cigarettes

In an effort both to reduce teen access to cigarettes and to raise critical revenue to safeguard health and human services programs, Governor Rowland is proposing to increase the tax on cigarettes from 50 cents a pack to \$1.11 per pack.

All told, between the cigarette excise tax increase, a floor tax increase applicable in the current fiscal year and the sales tax impact (sales taxes on cigarettes apply to the excise tax as well), revenues will increase by \$42.5 million in the current fiscal year and \$129.3 million in FY 2002-03.

Governor Rowland is proposing that this tax change be effective on April 1, 2002 so as to mitigate the drawdown on the Rainy Fund in the current fiscal year.

Cigarette Tax Rates			
<u>State</u>	<u>Date Last Changed</u>	<u>Current Tax Per Pack</u>	<u>Proposed Tax Per Pack</u>
Connecticut	1994	0.50	1.11
Massachusetts	1996	0.76	
New Hampshire	1999	0.52	
New Jersey	1997	0.80	
New York	2000	1.11	1.50
Rhode Island	2001	1.00	
Vermont	1996	0.44	

Washington State increased its cigarette tax to \$1.43 per pack effective, January 1, 2002. If the proposed 39-cent hike in New York passes, Connecticut would have the third highest rate in the nation.

While spending on tobacco education and cessation may deter teen smoking, Governor Rowland believes the best deterrent is to make tobacco unaffordable for children. A cigarette tax of \$1.11 achieves that end.

The Governor has also stated that he believes strongly that the increased cigarette tax revenue should go toward the general fund to help sustain current programs and pay for the major cost increases we are seeing in the health care field. For example, increases in pharmacy costs alone account for about \$100 million next fiscal year – almost the increased revenue of this initiative. Developing new programs in these trying fiscal times just because a new revenue source exists would be counter-productive and might worsen the state's fiscal crisis.

Tobacco settlement revenues

Consistent with state law, the budget calls for all tobacco settlement monies coming from the Master

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Tobacco Settlement Agreement to be deposited in the Tobacco Settlement Fund. In FY 1999-00 and FY 2000-01, \$20 million and \$19.5 million, respectively, was deposited in the Tobacco and Health Trust Fund. In addition, \$5 million was provided to the Office of Policy and Management to begin tobacco education and reduction efforts. About \$4.2 million of that money will be spent on such efforts.

Estimated Master Tobacco Settlement Funding (In Millions)			
	Fiscal Year		
	2000-01	2001-02	2002-03
Beginning Balance 6/30	\$ 47.1	\$ 1.4	\$ -
Tobacco Settlement Fund Proceeds	111.2	136.0	137.0
Interest Income	1.4	0.2	0.2
Total Funds Available	<u>159.7</u>	<u>137.6</u>	<u>137.2</u>
Transfers:			
To Tobacco & Health Trust Fund	(19.5)	(13.6)	(0.2)
To General Fund	(138.8)	(120.0)	(137.0)
To Biomedical Research Fund	-	(4.0)	-
Total Outlay	<u>(158.3)</u>	<u>(137.6)</u>	<u>(137.2)</u>
Balance 6/30	<u>\$ 1.4</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers to the General Fund			
From the Tobacco & Health Trust Fund			37.0
From the Biomedical Research Fund			4.0
Total Additional Transfers to the General Fund			<u>\$ 41.0</u>

Beginning in FY 2001-02, \$12 million each fiscal year is to be deposited in the Tobacco and Health Trust Fund. A statutory board administers the monies in the account. In a given year, just one-half of the prior year's accrued interest can be utilized. Another \$4 million is transferred to the Biomedical Research Trust Fund.

Because of the revenue shortfall, Governor Rowland is proposing to transfer approximately

\$137 million, or almost 100 percent of the monies anticipated to be received, from the settlement fund to the general fund next fiscal year. The net effect is that the normal transfer of \$12 million to the Tobacco and Health Trust Fund and the \$4 million transfer to the Biomedical Research Trust Fund will not occur next fiscal year.

In addition, the adjusted budget also proposes to remove \$37 million from the Tobacco and Health Trust Fund principal and the entire principal of \$4 million in the Biomedical Research Trust Fund next fiscal year.

The net effect is that \$57 million in monies will be made available to the general fund to support programs. Governor Rowland is committed in the future to making the statutory transfers each fiscal year when the state's fiscal health returns. In addition, he is committed to restoring the \$57 million in funding in the future after the Rainy Day Fund is fully funded again.

The Tobacco and Health Trust Fund had a balance of about \$41 million as of June 30, 2001. That will increase to \$49.9 million at the end of the current fiscal year. With the changes outlined above, the balance will drop to about \$10.7 million by the close of next fiscal year.

Governor Rowland did not arrive at this point lightly. His rationale is that citizens are relying on a myriad of government services during this recession and it is wiser to preserve those programs rather than set aside monies in various funds to earn interest. Tobacco prevention is important, but ongoing services are more so.

Current law also requires certain transfers of the principal of the fund to various health programs in the current fiscal year and in FY 2002-03. The Governor's adjusted budget continues those programs funded from the fund's principal, including:

- \$1.1 million in each year for asthma programs.

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- \$100,000 in year one and \$300,000 next fiscal year to expand the Healthy Families Program by one site.
- \$150,000 in year one and \$200,000 in FY 2002-03 to open a school-based health clinic in Norwich.
- \$375,000 in each year for the Regional Action Councils.
- \$2.5 million in year one to begin the ConnPACE expansion.
- \$671,550 in the current fiscal year and \$590,531 next fiscal year for various tobacco enforcement activities.

Tobacco and Health Trust Fund			
Balance 6/30/01	<u>41,079,773</u>	Balance 6/30/02	<u>49,866,438</u>
Income: 2001-02		Income: 2002-03	
Transfer from Tobacco Settlement Fund	12,000,000	Transfer from Tobacco Settlement Fund	0
Transfer from Tobacco Settlement Fund per 4-28e (2) (D)	1,600,000	Transfer from Tobacco Settlement Fund per 4-28e (2) (D)	200,000
Estimated Interest Earnings	<u>883,215</u>	Estimated Interest Earnings	597,257
TOTAL-Income	14,483,215	TOTAL-Income	<u>797,257</u>
TOTAL-Available Resources	55,562,988	TOTAL-Available Resources	50,663,695
Outlays: 2001-02		Outlays: 2002-03	
Tobacco and Health Trust Fund disbursements per 4-28f	800,000	Tobacco and Health Trust Fund disbursements per 4-28f	441,608
FY 01-02 Transfers per SA 01-1 of the JSS		FY 02-03 Transfers per SA 01-1 of the JSS	
DPH - Easy Breathing	800,000	DPH - Easy Breathing	800,000
Council to Administer the Children's Trust Fund		Council to Administer the Children's Trust Fund	
Healthy Families	100,000	Healthy Families	300,000
DPH - Norwich school based health clinic	150,000	DPH - Norwich school based health clinic	200,000
DMHAS - Regional Action Councils	375,000	DMHAS - Regional Action Councils	375,000
DSS - ConnPACE	2,500,000	DMHAS - SYNAR Enforcement Activities	472,000
DMHAS - SYNAR Enforcement Activities	450,000	DRS - Cigarette Manufacturers Enforcement	118,531
DRS - Cigarette Manufacturers Enforcement	221,550	FY 02-03 Transfers per PA 01-9 of the JSS	
FY 01-02 Transfers per PA 01-9 of the JSS		DPH - Asthma Monitoring	300,000
DPH - Asthma Monitoring	<u>300,000</u>	Transfer to the Resources of the General Fund	<u>37,000,000</u>
Total - Outlays	5,696,550	Total - Outlays	40,007,139
Balance 6/30/02	<u>49,866,438</u>	Balance 6/30/03	<u>10,656,557</u>

Revenue from the state's quasi-public agencies

Governor Rowland's adjusted budget proposes a one-time cash infusion to the general fund of \$100 million from three of the state's biggest quasi-public agencies. The budget calls for \$85 million to be transferred from the Connecticut Housing Finance Authority, \$7.5 million from the Connecticut Development Authority, and \$7.5 million from Connecticut Innovations, Inc.

The transfers are justified because the quasi-publics were capitalized by state general obligation bonds (for which the state continues to pay debt service) and some continue to receive tens of millions of dollars in state bond funds to support their missions.

It is clear that the quasi-publics are well-managed and have significant resources that can be used to aid the state's general fund in this time of need. It is not believed that the revenue transfers will jeopardize the agencies bond ratings or their ability to fulfill their missions.

Of importance is the fact that CHFA has recently gained significant new capacity to meet its mission to increase affordable housing. Under federal law, changes were made to the low income housing tax credit (LIHTC) and tax-exempt private activity bond (PAB) allocation programs. Governor Rowland sponsored legislation last fiscal year that dedicated the increase in PAB allocation to CHFA and transferred some of the authority CDA had to CHFA. In the past several years, the state has

transferred \$12 million to CHFA for assisted living building programs and is about to undertake over \$20 million in supportive housing capacity building in cooperation with CHFA.

In the case of CHFA, in return for the \$85 million one-time transfer, CHFA will receive certain housing loan portfolios owned by the state and managed by the Department of Economic and Community Development.

Anthem monies

Anthem Insurance Companies, Inc. (Anthem) completed its conversion from a mutual insurance company to a stock insurance company and as a result is now a publicly traded company on the New York Stock Exchange.

Certain policyholders with Anthem health insurance coverage (designated eligible statutory members) received shares of common stock of the newly formed holding company or cash in exchange for their membership interests. Large policyholders, including the State of Connecticut, received shares of stock.

The State of Connecticut recently received 1,645,773 shares for the State Employees & Retirees Health Insurance Plan, 587,049 shares for the HUSKY Insurance Plan, and 679 shares for the Board of Education Services for the Blind Industries Fund plan. These shares of stock are being placed in a fiduciary fund that will be managed by the Treasurer.

The adjusted budget proposes that \$98 million of the proceeds of the sale of the stock be used as a general fund revenue to support increased state health care costs, specifically those for employees, retirees, and DSS clients. The Governor has not utilized the full market value of the stock as a general fund revenue. An adequate amount will remain set aside in the fiduciary fund in recognition of the premium shares state employees with Anthem paid during a specified timeframe. It is his desire to issue payments to employees who have contributed premium payments.

The State Employees Bargaining Agent Coalition (SEBAC) has demanded that the State bargain over the impact of the demutualization and the most appropriate disposition of the proceeds. Administration members will be meeting with SEBAC to discuss both parties' views.

Escheating unclaimed bottle deposits to the State of Connecticut

The adjusted budget proposal calls for unclaimed deposits on unreturned beverage containers be escheated to the state.

Since 1980, Connecticut consumers of beer and soft drinks have paid deposits of five cents per container. A significant proportion of bottles and cans are never returned with the distributors keeping the unclaimed nickels. This proposal would ensure that money for the unreturned containers be escheated to the state (as are other types of abandoned property) and that these resources belonging to the public be returned to them for public good and public use.

This proposal would become effective upon passage with the first quarterly payment based upon the quarter beginning April 1, 2002 through June 30, 2002. This proposal would bring in an estimated revenue gain of \$15 million.

Massachusetts currently runs a similar bottle bill escheat program.

Modest fee increases

The adjusted budget proposes increasing fees for certain court fees. The increases are expected to net the general fund about \$1.3 million each year to help support increases in Judicial Branch costs.

The fees that would increase would be the jury fee, small claims entry fee, motion to modify judgment fee, and the application fee for wage/property execution.

The administration is also supporting modest fee increases in park and related fees. The monies will go into the Environmental Conservation Fund (EC) to help shore up that fund. Programs supported by the fund pertain to state parks, natural resource and land management, and recreational program management including sportsmen's programs (i.e. hunting, fishing, trapping, etc).

The fee increases are required to meet cost increases over the past twelve years since the inception of the fund. Personnel salary costs resulting from state negotiated collective bargaining agreements and basic operating costs as reflected in the consumer price index have both increased by approximately 30 percent since FY 1990-91, without any associated fee increases over this same time period. (While there have been minor fee adjustments to individual items, there were no program-related fee changes that had a measurable effect on overall revenues.)

During this same time, the Department of Environmental Protection's general fund other expense budget decreased from \$6.1 million to \$3.3 million, requiring off-budget monies, such as EC, to absorb the difference to maintain basic operations and ensure adequate staffing and maintenance of parks.

The combined effect of cost increases, cost shifting and no revenue increases means the EC fund would run a negative balance in the near future. Minor increases to user-fees are a better solution than adding funds to the department's general fund other expense appropriations or reducing or eliminating programs.

The fee revenue will have a minor impact in the current fiscal year. Beginning in FY 2003-04, it is anticipated that the fees will generate a few million dollars on an annual basis.

The fee changes involve changes to statute and regulation. Some can be accomplished through administrative action.

Other miscellaneous transfers to the general fund

Governor Rowland is proposing certain transfers from other funds to bolster general fund revenue next fiscal year. Some are of a one-time nature; others provide ongoing revenue. Some of the more significant changes:

- Elimination of the requirement to transfer on a one-time basis \$1.0 million from the Petroleum Gross Receipts Tax due the general fund to the EC Fund to fund fisheries activities.
- Eliminating an ongoing \$1 million transfer to the EC Fund for fisheries purposes from motor fuels tax revenues. This will allow the state to reduce by \$1 million the amount of petroleum gross receipts taxes diverted from the general fund to the special transportation fund each year,
- Converting the petroleum gross receipts tax transfer to the commercial Underground Storage Tank Cleanup (UST) account to a fixed \$3 million per quarter or \$12 million annually.

Under current law, one-third of the quarterly gross collections are transferred to the UST account when the balance in the fund falls below \$5 million. The transfer is suspended when

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the balance in the UST account reaches \$15 million. When the transfer mechanism is suspended, future quarterly Oil Companies Tax collections are then deposited into the General Fund and the cycle begins once more.

The general fund benefits from this change to the tune of \$3 million next fiscal year, and between \$1.5 million and \$4 million per year in the succeeding three years. The proposed change is easier to administer and makes for easier forecasting of oil companies taxes due the general fund.

Businesses may wait longer for reimbursement under the program, but it is anticipated that all obligations can be met under this proposed change.

- Capturing excess monies in the New Home Construction Guaranty Fund in FY 2003, FY 2004, and FY 2006. The fund is an industry-supported one established to protect new homebuyers from negligent home construction contractors and is funded through fees on contractors. When the balance in the New Home Construction Guaranty Fund exceeds \$750,000, the first \$200,000 is transferred into agency's Consumer Protection Enforcement Fund. Funds over and above this level are used by the commissioner to reduce fees in the subsequent fiscal year for renewals, provided the total amount of fees collected are not less than \$360,000 biennially.

Legislation is being submitted to have any amounts over \$1.05 million in the fund to be deposited in the general fund. Surplus funds will no longer be used to reduce contractor fees in the subsequent fiscal year.

This change will infuse the general fund with \$1.2 million in FY 2002-03 and \$0.9 million in FY 2003-04.

- Sweeping on a one-time basis \$1.0 million from the Private Occupational School Student Protection Account and depositing it in the general fund. This is an industry-supported insurance fund to protect student tuition investments. The fund will reimburse students if their occupational school goes bankrupt. If a school fails, the federal government will reimburse 90 percent of the tuition to the students and the fund will cover the remaining 10 percent.

The potential liability of the fund is estimated to be \$2.0 million to \$2.5 million. Despite the removal of the \$1 million from the fund, it is anticipated that there will be sufficient resources to meet obligations. Further legislation is being sponsored to lower the threshold so that schools do not have to pay up to the old threshold.

- Removing a one-time \$3 million from the Title V Emissions fund and depositing it in the general fund. The fund supports a permit program for larger, stationary sources that release pollutants. EPA requires states to establish an emissions based fee to support the program. (Revenues come from businesses, utilities, schools, hospitals, etc. with boilers and power generators or other pollution emitting devices.)

The \$3 million sweep of the fund will not have any impact on the ability of DEP to regulate for the foreseeable future.

Budgeting for a home care settlement

Included in the revenue estimates is \$46 million for settlement of a lawsuit the state has filed against the Centers for Medicare and Medicaid Services of the Department of Health and Human Services arising from a dispute over how Medicare eligibility is established and payments are made for home care services for dually eligible residents.

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It is anticipated that the state should receive \$31 million in retroactive reimbursement and achieve \$15 million in on-going reimbursement or appropriated savings (depending on how any settlement is structured). The payments could take the form of a negotiated settlement, a settlement approved by the court, or through litigation through the federal court.

Pequot monies added back to the budget

In the original FY 2002-03 budget, the appropriation for the Mashantucket Pequot/Mohegan fund was \$120 million, with \$15 million coming from the FY 2000-01 surplus. Because the Governor has swept the unallotted FY 2000-01 surplus, it became necessary to appropriate the entire \$135 million for towns in the adjusted FY 2002-03 budget. Since more dollars need to be funneled to the Pequot/Mohegan fund, \$15 million less will now be retained by the general fund. Therefore, a reduction in general fund revenue had to be taken.

This move also assures towns that the entire \$135 million is a part of the appropriated funds budget.

Expenditures Changes: Safeguarding Programs A Priority

In preparing the adjusted budget, Governor Rowland was extremely mindful of the fact that many state residents are relying more so today on government services than before. That is why in fashioning this budget, special care was made to ensure that some of the most basic services that the state offers residents – for example, welfare supports, medical assistance, and shelter services – were safeguarded.

Many may doubt the sincerity of that message, but one need look no farther than the endorsement of a major tax increase, the delay of further tax reductions, and the use of some one-time revenue to offset deeper cuts to see how genuine that message is.

As noted earlier, we can be proud of the major investments that have been made over the last seven years. Medical coverage has been expanded to more and more families. ConnPACE has been expanded. Early childhood education and early reading success have been funded. Home care and assisted living has been made accessible to middle income residents.

Those and dozens of other investments are still being made and are reaping huge rewards.

The strong human services safety net that Connecticut has created is still in place.

Connecticut can still boast of having one of the best lower and higher education systems in the country.

The quality of life here in Connecticut is unparalleled because of the dollars we have invested across the spectrum.

Residents in Connecticut have access to so many more services than in most other states.

Notwithstanding some necessary spending reductions to ensure our fiscal future, this budget will not change any of these facts.

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What are the changes from Fiscal Year 2001-02 to Fiscal Year 2002-03?

(Millions)

Agency Title	Fiscal Year	Fiscal Year 2002-03			Change from	
	2001-02 Estimated	Appropriated	Changes	Recommended	Fiscal Year 2001-02	
<u>General Fund</u>						
Legislative Management	\$ 47.6	\$ 51.7	\$ -	\$ 51.7	\$ 4.1	8.6%
Revenue Services	61.5	63.5	(0.1)	63.4	1.9	3.1%
State Insurance & Risk Mgmt	9.7	9.3	2.2	11.5	1.8	18.6%
Policy and Management	155.9	172.1	(7.6)	164.5	8.6	5.5%
Veterans' Affairs	27.8	29.2	(0.3)	28.9	1.1	4.0%
Workforce Competitiveness	4.9	5.2	0.8	6.0	1.1	22.4%
Administrative Services	27.6	29.2	(1.0)	28.2	0.6	2.2%
Attorney General	26.8	28.0	0.0	28.0	1.2	4.5%
Division of Criminal Justice	40.4	42.0	(0.1)	41.9	1.5	3.7%
Public Safety	138.1	142.3	4.5	146.8	8.7	6.3%
Economic & Community Devel	18.4	26.4	(6.3)	20.1	1.7	9.2%
Public Health	76.6	79.2	1.2	80.4	3.8	5.0%
Mental Retardation	698.8	722.0	7.4	729.4	30.6	4.4%
Mental Health & Addiction Serv	419.7	457.5	(11.9)	445.6	25.9	6.2%
Medicaid	2,497.8	2,593.3	34.3	2,627.6	129.8	5.2%
Social Services - Other	1,026.4	1,066.5	(1.4)	1,065.1	38.7	3.8%
Education Equalization Grants	1,456.7	1,515.5	(46.0)	1,469.5	12.8	0.9%
Education - Other	486.2	509.4	(7.9)	501.5	15.3	3.1%
University of Connecticut	186.3	203.9	(5.1)	198.8	12.5	6.7%
UConn Health Center	73.0	76.3	(1.0)	75.3	2.3	3.2%
Teachers' Retirement	218.3	230.0	(0.8)	229.2	10.9	5.0%
Community-Tech Colleges	121.5	131.5	(4.9)	126.6	5.1	4.2%
CT State University	135.5	146.3	(2.9)	143.4	7.9	5.8%
Correction	525.0	546.1	6.2	552.3	27.3	5.2%
Children and Families	550.2	574.9	4.7	579.6	29.4	5.3%
Judicial	346.3	364.5	0.3	364.8	18.5	5.3%
Public Defender	33.5	34.7	0.0	34.7	1.2	3.6%
Debt Service	1,000.4	1,060.2	(21.0)	1,039.2	38.8	3.9%
Salary Adjustments	34.8	34.0	11.7	45.7	10.9	31.3%
Workers' Comp Claims - DAS	12.7	10.8	1.7	12.5	(0.2)	-1.6%
Loss of Taxes - State Property	66.1	63.8	0.0	63.8	(2.3)	-3.5%
Loss of Taxes - Pvt Tax-Exempt	100.9	97.2	0.0	97.2	(3.7)	-3.7%
St Employee Fringe Benefits	961.4	1,027.7	3.5	1,031.2	69.8	7.3%
All Other	311.9	287.2	(3.8)	283.4	(28.5)	-9.1%
Total General Fund - Net	11,898.7	12,431.4	(43.6)	12,387.8	489.1	4.1%
<u>Special Transportation Fund</u>						
Transportation	319.3	335.8	2.8	338.6	19.3	6.0%
Debt Service	401.8	418.2	(3.6)	414.6	12.8	3.2%
Salary Adjustments	6.1	1.5	1.8	3.3	(2.8)	-45.9%
St Employee Fringe Benefits	70.0	76.2	0.0	76.2	6.2	8.9%
All Other	47.1	45.6	(0.1)	45.5	(1.6)	-3.4%
Total Transportation Fd - Net	844.3	877.3	0.9	878.2	33.9	4.0%
Other Appropriated Fds - Net	221.1	209.3	14.3	223.6	2.5	1.1%
Total Appropriated Fds - Net	\$ 12,964.1	\$ 13,518.0	\$ (28.4)	\$ 13,489.6	\$ 525.5	4.1%

Education is our Strength: Developing our Children's Great Abilities

"Let us think of education as the means of developing our greatest abilities, because in each of us there is a private hope and dream which, fulfilled, can be translated into benefit for everyone and greater strength for our nation."

-- President John F. Kennedy

Connecticut's children are strong and able; educating them is government's most important job. Governor Rowland's budget for the education agencies, from the state Department of Education, to the constituent units of higher education, will help the state's children develop their great abilities that will translate into a stronger and better Connecticut, and ultimately, our nation.

Governor Rowland's budget offers critical linkages with the new federal programs embodied in H.R. 1, President Bush's *No Child Left Behind*. There will be future school choices available for parents whose children attend failing schools; an existing school choice program will be improved financially. A valuable state economic resource, the Vocational-Technical High School system, will be studied for future modernization.

In the higher education area, streamlining administrative structures will make the system more cost-effective and efficient. A significant new program is envisioned to make the University of Connecticut ready for its role in Connecticut's 21st century economy. The Education Technology Plan will be funded, allowing important technology enhancements in higher education, local schools, and libraries.

Improving urban education and reducing racial isolation

For many parents, school choice opportunities offer relief from racially isolated, academically deficient, urban schools. Since 1996, when the "Sheff v. O'Neill" landmark case was decided, Governor Rowland has devoted an increasing amount of state resources to programs that improve urban education and reduce racial isolation.

In 1997, about \$37 million was spent on these programs. Next fiscal year, Governor Rowland's budget includes over \$181 million, almost a five-fold increase, for programs like magnet schools, early childhood education, early reading success, interdistrict cooperation, and OPEN Choice.

The adjusted budget includes:

- For magnet schools, an increase of \$12.2 million from this fiscal year's estimated expenditures, to \$45.2 million. In FY 2002-03, 10,800 students will be in 33 magnets schools throughout the state, a doubling of students in these diverse environments since FY 1999-00.
- For charter schools, an increase of \$1.8 million from this fiscal year's estimated expenditures, to \$16.3 million. Enrollment is expected to grow in FY 2002-03 by 12.5 percent or 260 students, bringing the number of students in charters to 2,320.
- The Open Choice Program will increase from an estimated expenditure this fiscal year of \$7 million to \$8.7 million next fiscal year. An additional 400 students will be served next fiscal year, bringing participation to 2,000 students.
- Early childhood education, early reading success, priority schools, extended school hours, school accountability, and interdistrict cooperation will be maintained at existing levels, as the adopted budget called for.

Magnet school funding reform

Although funding for a critical existing school choice option, magnet schools, has grown significantly, funding for Regional Educational Service Center (RESC) sponsored schools has not been adequate.

INTRODUCTION

	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Recommended
IMPROVE URBAN EDUCATION				
FAMILY RESOURCE CENTERS Holistic family services in 60 schools	\$6.0	\$6.1	\$6.1	\$6.1
EARLY CHILDHOOD PROGRAM Preschool programs for children from poor and underachieving communities and schools.	\$36.1	\$38.0	\$2.7	\$2.8
HEAD START ENHANCEMENT To make more of the 24 Head Start programs full year and all day to accommodate working parents.	\$2.0	\$2.0	\$2.0	\$2.0
PRIORITY SCHOOLS For the 14 academically and economically neediest communities; used for dropout prevention, after school programs, extended kindergarten and early reading intervention; supplemental grant for after-school programs. Estimated for FY2002 and Recommended for FY2003 now includes funding for Priority School Districts from Early Childhood, Extended School Hours, School Accountability, and Early Reading Success.	\$20.6	\$20.1	\$81.8	\$81.7
EARLY READING PROGRAM Grant to improve K-3 reading; funds for full-day kindergarten, reduce K-3 class size and/or early intervention reading; 90% to Priority School Districts.	\$20.4	\$20.6	\$2.2	\$2.2
TOTAL	\$85.1	\$86.8	\$94.8	\$94.8
REDUCE RACIAL ISOLATION				
INTERDISTRICT MAGNET SCHOOLS State provides subsidies for students attending Magnet Schools. In addition, state bond funds pay for 100% of construction.	\$19.2	\$29.8	\$33.0	\$45.2
CHARTER SCHOOLS Per pupil subsidy provided to state charter schools funding for 1,000 students in 1998. During the 2000 legislative session, the per pupil subsidy was increased to \$7,000 providing funds for 2,000 students. For the 2001-2002 school year there are 2,100 students attending Charter Schools.	\$11.3	\$13.7	\$14.5	\$16.3
INTERDISTRICT COOPERATION GRANTS Programs are designed to promote a greater understanding and appreciation of cultural diversity for students in preschool through 12th grade. <i>Includes funding for a separate Interdistrict Summer School Grant beginning in FY2000.</i>	\$14.4	\$17.8	\$12.9	\$12.9
COORDINATE INTERDISTRICT ACTIVITIES Funding for the Regional Educational Service Centers (RESCs) to plan and administer an interdistrict school choice program and to provide minority educator recruitment services to school districts; lease funds also provided.	\$3.1	\$3.3	\$3.1	\$3.0
OPEN CHOICE PROGRAM Conversion of Project Concern into a new interdistrict school choice program to be administered by the RESCs beginning in 1998.	\$5.5	\$6.7	\$7.0	\$8.7
LIGHTHOUSE SCHOOLS Grant to provide specialized curriculum in an existing school; funding for Hartford in 1998 and Hartford, Bridgeport, and New Haven beginning in 1999.	\$0.6	\$0.3	\$0.3	\$0.3
TOTAL	\$54.1	\$71.6	\$70.8	\$86.4
GRANT TOTAL	\$139.2	\$158.4	\$165.6	\$181.2
<i>Cummulative Percentage Change</i>		14%	19%	30%

Currently, RESC magnet schools receive state subsidies along with local support for students attending their schools. Since the magnet schools are not “owned” by the communities that they serve, these communities feel less compelled to fully support the educational costs for the schools. This has created financial difficulties for RESC magnets.

As part of his legislative package, Governor Rowland is proposing a two-part solution to this problem. To provide an immediate, stopgap measure, the proposed bill will create a more equitable distribution of funding for the RESC Magnet Schools. Communities that are served by the schools will be required to increase their financial support of students attending RESC magnet schools. The bill is fair: communities will be asked to pay the difference between the state magnet subsidy and what they would pay to support a student in their own schools. Additionally, the bill proposes a study to determine the future funding and revenue needs of all of the state’s Magnet Schools, including the RESC and district sponsored schools.

School choice

Governor Rowland’s legislative package builds upon the state’s existing school choice options in the budget with a link to new federal legislation. H.R. 1, *The No Child Left Behind Act of 2001*, promises American parents many academic opportunities when their children attend failing schools. This act requires school districts to prepare annual “report cards” for each school. For schools with “failing” grades, improvement is expected annually, with adequate progress toward state defined academic goals. If a school fails to improve for two consecutive years, the district will be required to offer parents an option to transfer their children to a different public, magnet or charter school.

The Governor’s recommendation builds upon the promises in H.R. 1, and expands them to include a private school option. Connecticut has a large network of private schools, of which the majority are parochial schools. Approximately 77,000 students attend private school, of whom about 58 percent are in parochial schools. This option would allow Connecticut parents whose children attend failing schools to attend a public, charter, magnet, or parochial school of their choice.

This proposal is needed for two reasons: 1) Too often, failing schools are concentrated in large urban centers making a public school choice a less than optimal option for the state’s parents and 2) There are not many charter and magnet schools (only 47, with two anticipated to open in FY 2002-03, versus the 156 parochial schools) that would provide the breadth of opportunity that is promised in H.R.1.

Governor Rowland’s recommendation to expand the federal program to private school options is in response to concerns that too many children are still being left behind despite major investments in public education. Many parents are frustrated with their failing schools and districts and want more choices and innovative ideas. Simply putting more money into these programs would not satisfy these parents. As important, these educational choices could be right in their own neighborhood and would not necessitate children traveling great distances for a quality and diverse educational setting. While middle class and wealthy families have the choice to send children to private settings if they deem it best for their children, those of modest means do not have that choice.

Governor Rowland’s plan would give them that choice. Like the federal Pell grants, this program would level the playing field for poor families seeking the best opportunities for their children. Giving them the financial ability to make a choice will also empower them.

No funding for this option will be required in the FY 2002-03 budget. The earliest that funding would be required would be in state FY 2004-05, after two “report cards” have been done. But the Governor is proposing to amend existing state statute allowing private school choice using public funds to make certain parents and school districts know that the state wants to have private schools as an option to the choices offered in the federal legislation.

For those wishing to experiment with a private alternative, half of the student's state ECS contribution in communities with failing schools would be directed toward a student's scholarship. Local school districts could augment those scholarships by using the balance of their ECS funding or other local funds.

Improving the regional vocational-technical schools

The Regional Vocational-Technical High School (RVTSS) System is a vital state asset, developing workers who are needed in an economy that is global, market driven and private industry led, premised on innovation and productivity. In its 17 schools, the Connecticut Vocational-Technical High School system generally educates from 7 percent to 8 percent (about 11,000 students) of the state's high school age population along with an additional 8,000 part-time adult students annually.

Governor Rowland's adjusted budget includes an additional \$2.9 million in operating funds and 18 positions to improve the academic and equipment needs of the schools. This change is in addition to the 30 additional positions included in the adopted budget to be phased in during the coming fiscal year. The additions will fully fund the staffing levels required to accommodate an expected 3 percent enrollment growth in next year's freshman class.

The budget also provides for an additional \$925,000 in the Capital Equipment Purchase Fund to properly equip the schools.

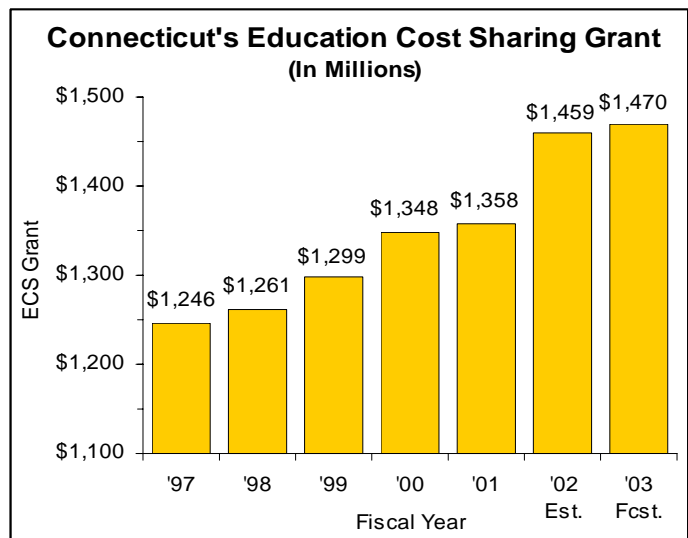
These increases will set the stage for the academic improvements that are expected from the *Task Force on the Future on the Vocational-Technical Schools*. In Executive Order No. 24, Governor Rowland convened a task force to determine the future of course offerings at the schools. Specifically, the Order says, "as the Regional Vocational-Technical High School System (RVTSS) begins the new millennium, its course offerings and graduates need to change to meet the demands of the new global economy. While the traditional programs in the construction, manufacturing, and service industries continue to be important to many students and the economy; many need to be modernized to reflect the breadth of opportunity in these fields. Additionally, it is critical to expand the RVTSS programs beyond the few offerings in high technology fields to meet the employment needs of Connecticut's businesses and industry."

The task force will provide a blue print for improving the RVTSS, which is a vital economic partner of businesses in the state and is one of the first and most successful examples of reducing racial isolation. It is hoped that the task force will provide some of its recommendations in time for legislation to be proposed in the 2002 legislative session.

Education Cost Sharing changes

The Education Cost Sharing Grant (ECS) continues to be the state's primary vehicle for distributing aid to Connecticut public school districts on an equalized basis. ECS is designed to equalize a town's ability to finance education by distributing state funds based on factors of local fiscal capacity and the needs of the student population.

Governor Rowland is committed to eliminating the cap on the Education Cost Sharing (ECS) grant, the state's largest education grant. Given a dearth of revenues, however, it is not possible to eliminate the cap by the statutory deadline of FY 2003-04.



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Governor Rowland is proposing that the deadline for elimination of the cap be extended for one year, to FY 2004-05. Because he still wants to make incremental progress toward reducing the loss to towns, the budget includes a generous \$15 million, sufficient resources to continue the gradual elimination of the cap. By gradually eliminating the cap, the distribution of education resources will be more equitable, increasing educational opportunities for all students. The original adopted budget would have put another \$25 million toward the elimination. Even with the slight reduction of resources, about one-half of the cap loss will already have been eliminated.

Education Cost Sharing Grant				
Comparison of Phase-out Plans for the Growth Cap				
(In Millions)				
	ECS Cap FY 2002	Projected ECS Cap FY 2003	Projected ECS Cap FY 2004	Projected ECS Cap FY 2005
Original Plan:				
<i>Phase-out Subsidy</i>	\$25.0	\$25.0	\$37.0	\$0.0
Governor's Revised Plan:*				
<i>Phase-out Subsidy</i>	\$25.0	\$15.0	\$20.0	\$20.0

*Need legislative change to delay final phase-out from FY 2004 to FY 2005.

The adjusted budget also eliminates \$4 million in funding for a COLA that is not part of the permanent ECS formula. This fiscal year, \$6 million was set aside for a COLA for towns that were uncapped and saw a minimal or no increase in their grants. Because of the deficit in the current fiscal year, the Governor has proposed reducing the amount to \$4 million. It should be noted that if the COLA were not eliminated next fiscal year, an additional \$1.5 million would have to be added just to meet the statutory criteria. That is so because of a growth in enrollment and other factors.

ECS is also being net funded, which means the historical lapse in the account has been removed. The account usually has a lapse because special education overpayments in prior fiscal years are generally netted out of a town's ECS grant each year after audits are concluded. This saves \$3.3 million in the appropriation without impacting actual town aid.

ECS Cap Towns				
Andover	Cromwell	Greenwich	Old Lyme	Thomaston
Ashford	Danbury	Haddam	Old Saybrook	Tolland
Avon	Darien	Hamden	Orange	Trumbull
Berlin	Derby	Kent	Plainville	Warren
Bethany	Durham	Litchfield	Pomfret	Washington
Bethlehem	East Granby	Lyme	Portland	Waterbury
Bloomfield	East Haddam	Madison	Redding	Waterford
Bolton	East Hartford	Manchester	Ridgefield	Westbrook
Branford	East Haven	Meriden	Roxbury	West Hartford
Bridgewater	East Lyme	Middlebury	Salisbury	Weston
Bristol	Easton	Middlefield	Seymour	Westport
Burlington	East Windsor	Middletown	Sharon	Wethersfield
Canaan	Essex	New Britain	Sherman	Wilton
Canton	Fairfield	New Canaan	Simsbury	Windsor
Colchester	Farmington	New Hartford	Southbury	Windsor Locks
Colebrook	Glastonbury	Newington	South Windsor	Wolcott
Columbia	Goshen	New Milford	Stamford	Woodbridge
Cornwall	Granby	Norwich	Stratford	Woodbury
			Suffield	Woodstock

Finally, because of the revenue hole the budget is facing, the adjusted budget proposes to pro-rate the ECS grant next fiscal year, after factoring in the \$15 million distribution to capped towns, down by 2 percent across the board. This provides for a savings to the state budget of \$30.1 million.

In total, the adjusted budget cuts \$46 million from the adopted budget, or \$48.9 million from current services for the fiscal year.

Special education changes

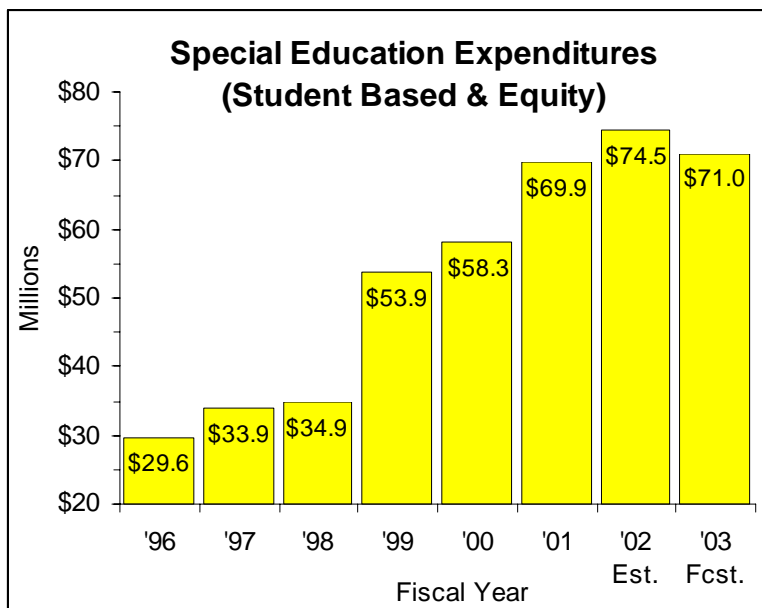
The adjusted budget includes some difficult, but necessary, financial adjustments in special education. The financial impact of these adjustments, however, will be mitigated somewhat by

enhancements in federal special education funding anticipated in H.R. 1, *No Child Left Behind*.

State costs for special education have risen dramatically in recent years. In FY 1998-99, the state's special education cost-student based grant ran approximately \$42 million. Just three years later, costs in FY 2001-02 are expected to be \$66 million, a 57 percent increase. (In fact, the state is projecting a \$6.5 million deficiency to meet its estimated obligations to towns this fiscal year). After factoring in this deficiency, the state subsidy for special education is expected to grow by an additional \$5 million, or 7 percent, next fiscal year using the current reimbursement of costs over five times the average per pupil expenditure in the town.

The adopted budget for next fiscal year called for lowering the threshold from five times to 4.5 times the per pupil cost. Doing so would have cost an additional \$9 million, above the \$7 million that was included in the budget for the expansion. Thus, Governor Rowland proposes a delay of one year of the implementation of the additional reimbursement formula. The special education threshold would remain at five times for FY 2002-03 and all costs would be funded at that formula. In FY 2003-04, the threshold would go to 4.5 times.

Additionally, the budget eliminates the special education equity grant that provided a bonus to communities that had above average special education costs. In years where special education costs are increasing, this grant could be seen as rewarding communities with high special education costs. Since this and future budgets can ill afford incentives that could drive up aggregate special education costs, it is recommended for elimination, for a savings of \$7.5 million.



It is expected that an additional \$13 million to \$14 million in federal special education funding (primarily to communities) will be available from

H.R. 1, *No Child Left Behind*. While the federal figures are still preliminary, it is expected that these funds will help to offset the state's general fund special education reductions.

Other lower education changes

Capping adult education – The adjusted budget calls for capping expenditures for one year by calculating the reimbursement formula to towns in the Adult Education Grant based on the appropriation. This will result in a savings of approximately \$1.6 million.

Reduce reimbursement rate for RESC leases – The adjusted budget calls for revising the formula to determine the state's share of RESC lease costs. The formula would establish a ceiling of 50 percent for the reimbursement of the costs of the lease versus the current formula, which is based on their eligible school construction grant percentage. This change saves \$1.1 million next fiscal year, of which \$824,000 is a reduction based on utilization.

Reduce Regional Educational Service Centers Grant – The adjusted budget reduces funding in the RESC grant by 10 percent or \$329,738. This grant is meant to assist RESCs in administering the OPEN Choice Program, and to assist RESCs in supporting state and local efforts to reduce racial

isolation, ethnic and economic isolation and to report on the success of these efforts. Funds are distributed by formula.

Eliminate the transitional school district grant -- Transitional school districts are defined pursuant to section 10-266p of the General Statutes, and are chosen based on population, number of families receiving Aid to Families with Dependent Children, and district scores on the CT Mastery Test. This fiscal year, the budget reduced the appropriation for TSDs from \$2.5 million to \$1 million and changed the way grants were calculated. The Governor is proposing to eliminate the grant entirely in the adjusted budget.

Capping the public school transportation grant -- The public school transportation grant reimburses towns and regional school districts from 0 to 60 percent of the cost of transporting students to and from school, with all towns receiving a minimum grant of \$1,000. The rate of reimbursement is based on town wealth, with regional school districts receiving additional bonus percentages of up to 10 percent.

Of the 550,000 public school children in CT, some 400,000 are transported. The cost of school crossing guards is included in reimbursable expenditures, along with reimbursements at the established rate for the cost of transporting students to vocational-technical high schools, agricultural centers, charter schools, and any out of town magnet school transportation not covered under the magnet school transportation grant.

SDE's latest projections for this grant in FY 2002-03 are \$50.3 million, which is \$300,000 over the current appropriation for FY 2002-03. The adjusted budget proposes capping funding at the FY 2001-02 expenditure level, which translates into savings of \$2.2 million.

Capping the non-public transportation grant – The adjusted budget caps the non-public transportation services grant at the estimated expenditures for FY 01-02. The State Department of Education's latest cost projections indicate that the total expected reimbursement next fiscal year would have been \$4,950,000, which includes an estimated 5 percent increase. By capping funding at the current level, savings of \$240,000 would result.

Under this option districts would still be required to provide the same transportation services to children attending nonpublic schools. Approx. 75,000 children attend nonpublic elementary and secondary schools in CT and are entitled by law to the same transportation services provided to public school children in K-12 as long as the majority of each nonpublic school's enrollment resides in CT. This program reimburses towns on a sliding scale from 0 to 60 percent of the cost of providing such transportation.

Reduce funding for vocational agriculture grant – The adjusted budget calls for reducing the Vocational Agriculture grant by 10 percent, or \$281,670. Regional vocational agriculture centers provide instruction in agriculture science and technology including the environment, natural resources and/or aquaculture, animal and plant science, and agricultural mechanics for entry-level employment and/or higher education.

Within the available appropriation, the state grant pays a per pupil amount plus additional funds for centers serving more than 150 out-of-town students. Towns pay tuition of up to \$6,004 per pupil. There are 19 regional programs open to all secondary students, Grades 9-12. Students from 137 districts currently attend these programs. Enrollment in the centers as of October 2001 was 2,604 students (1,628 are in-district and 976 are out-of-district).

Other miscellaneous grants in the department are also being reduced by 10 percent.

Increasing the primary mental health grant -- Funding for the Primary Mental Health Program (PMHP) is being increased by \$50,000. The program serves a large number of children through

early detection and prevention of school adjustment problems. The program's major focus is on young primary-grade children who have been identified with problems, which could interfere with, or are already interfering with, effective learning (e.g., frequent aggressive or withdrawal behaviors). Paraprofessionals, called counselor assistants, are the primary personnel who deliver direct services to children in the schools. The paraprofessionals are hired, trained and supervised by participating district school mental health teams.

Mental health problems in children are many times first identified by school professionals. Early intervention with the child and his/her parents may lead to a diminishing need for costly services later on. A recent Surgeon General's Report extensively addresses the need for mental health services and cites the PMHP as one of the preventive interventions directed against environmental risk factors affecting children's mental health.

The SDE administers the funds through an RFP process by which all public schools in Connecticut serving children in grades K-3 can submit a proposal. During the 2000-2001 school year the grant was \$294,000. With that money approximately 1,300 children in grades K-3 were served by PMHP programs in 29 school districts and 54 schools across Connecticut. State funding is supplemented by local funds and \$278,650 in federal Individuals with Disabilities Education Act (IDEA) Part B funds.

While no data is available yet, the grant was increased this fiscal year as part of Governor Rowland's comprehensive children's mental health program to about \$508,000. The increase in the current fiscal year and the new addition of \$50,000, taking the grant to about \$558,000, will mean hundreds of more students will be served in this preventive program with existing children getting more comprehensive service.

Investments in educational technology

Governor Rowland's adjusted budget includes continued funding for school wiring, the Connecticut Education Network, Distance Learning and the Digital Library, all of which are part of the Education Technology Plan. A total of \$14 million in bond funds, operating dollars and FY 2000-01 surplus carryforwards will be available in FY 02-03 to equip the state's educational institutions and libraries with the tools necessary to train tomorrow's workforce.

Lt. Governor M. Jodi Rell has championed computer and technology literacy for our youngsters. Her advocacy has meant that a total of \$64 million will have been dedicated to this effort since FY 2000-01. The Connecticut effort is getting national attention: The American Electronics Association did a state-by-state analysis of efforts to prepare students for a high-tech workforce. Minnesota and Connecticut were cited as the two top states in preparing students for the high-tech future. The report cited the fact that our state is one of only four that requires technology training for teachers.

Efforts over the biennium include:

- \$7.5 million and \$2 million will be available in bonding in each fiscal year for school wiring.
- The Connecticut Education Network will receive \$4.5 million this fiscal year and \$10 million next fiscal year in bonding. Examples of the Education Network activities in the current fiscal year include: completing inter-campus connections among the Connecticut State University System, the Community-Technical Colleges, and the University of Connecticut; construction of a backbone ring in central Connecticut, and the deployment of the New Haven and Hartford area Higher Education and K-12 Network.
- The Digital Library received \$1.4 million for this fiscal year from the FY 2000-01 surplus. The Governor's adjusted budget includes an additional \$600,000 next fiscal year to continue the program.
- Distance learning programs received \$1.9 million this fiscal year from last fiscal year's surplus plus an additional \$500,000 general fund appropriation. The FY 2002-03 adjusted budget includes \$1 million in funding to continue efforts.

INTRODUCTION

Education Technology Plan			
<u>Recommendation</u>	<u>FY 01</u>	<u>FY 02</u>	<u>Recommended FY 03</u>
Fully wire all K-12 classrooms and connect to the Internet & to a local area network by 1/1/04	\$ 20,000,000	\$ 7,500,000	\$ 2,000,000
CT Education Network (CEN) - connect all colleges & universities, libraries & elementary & secondary schools to a statewide high speed, flexible network	4,760,000	4,500,000	10,000,000
Establish Commission for Educational Technology under DOIT	240,000	250,000	250,000
Establish the CT Digital Library	2,000,000	1,400,000	600,000
Establish Parent Academy under auspices of CT Voices for Children	50,000	50,000	50,000
CT Distance Learning Consortium - for on-line learning opportunities	1,200,000	2,400,000	1,100,000
Develop online learning opportunities for teachers	800,000	0	0
SDE - Competitive grant program to fund innovative programs on the integration of technology of the classroom	2,500,000	0	0
Technology Scholarship/Loan Reimbursement Program - to encourage high tech careers	2,500,000	0	0
Total	\$ 34,050,000	\$ 16,100,000	\$ 14,000,000

School construction

Governor Rowland’s commitment to ensuring every child learns in a safe and state-of-the-art environment continues in this budget. As outlined in the capital budget section, towns and the RVTSS will receive \$631.1 million next fiscal year for refurbishment, expansion and construction of schools. Given the continuing demand and costs associated with the program, the Governor is proposing a few modifications to the school construction program that will save the state significant dollars down the road. These are spelled out in the capital budget section.

Higher education block grants

When he took office, Governor Rowland realized that higher education was a key component in growing the economy of the State of Connecticut. Employers want to do business in states that stress excellence in higher education. To increase the quality of education in the state, Governor Rowland supported significant increases in personnel and expenditures for the constituent units of higher education.

Higher education personnel growth has been significant, possibly in response to efforts to improve academic quality. Since 1989, the peak enrollment year for 4 year public institutions, the constituent units of higher education have enjoyed the following growth in personnel:

- 50 percent at the Community-Technical College system.
- 35 percent at the Connecticut State University system.
- 20 percent at the University of Connecticut.

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This investment in personnel was fueled, in large measure, by increased financial commitment by the state. The following shows increases in the state commitments to the higher education block grants from FY 1994-95 to the available FY 2001-02 (after rescissions and reduced appropriations) levels:

- The University of Connecticut from \$135 million to \$180 million, a 33% increase.
- Connecticut State University System from \$98 million to \$130 million, a 33% increase.
- Community-Technical System from \$82 million to \$121 million, a 48% increase.

These figures do not capture the totality of the state's investment. They do not include generous fringe benefit appropriations in the general fund set aside for the higher ed units. In essence, for every dollar appropriated for the higher ed units in their block grant, the general fund is also giving them close to 40 cents to cover the fringe benefits attributable to the individuals they pay from the general fund block grant appropriation.

Further, the numbers above do not include a \$20 million infusion into the Health Center or annual contributions of almost \$14 million in previous tuition freeze monies to keep tuition at an affordable level. Additionally, since 1998, the state has contributed almost \$40 million to match donations made to the colleges and universities. The following captures the total state match from 1998 through 2002:

- The University of Connecticut \$35.4 million
- Community-Technical Colleges \$ 1.6 million
- Connecticut State University \$ 2.4 million

And, as will be outlined below, Governor Rowland's investment in refurbishing a long-neglected higher ed infrastructure is unprecedented in state history. Hundreds of millions are being spent on the capital programs of the state's public colleges and universities.

On the following page, you can see exactly how generous the state general fund is to the four higher ed units. For example, in the current fiscal year, between all general fund expenditures, transfers from the reserve for salary adjustment account, fringe benefits on the general fund block grant, and capital authorizations which the units receive as cash (they are not obligated to pay the debt service), UCONN will receive \$360 million. For CSU, the total support is \$278 million. For the CTCs, that support equals \$239 million. For the Health Center, total support is \$150 million. These numbers do not include contributions to reserves or endowment matches from the FY 2000-01 surplus.

In addition to significant block grant and endowment investments, the state has also increased its commitments to financial aid, to ensure access and affordability for state public college students. Since 1995, the state's two major programs for public college students have increased dramatically:

- Connecticut Aid for Public College Students (CAPCS) has increased from \$6 million to almost \$20 million, a 233% increase.
- Capitol Scholarship Program (not strictly limited to public college or in-state students) has increased from \$2.2 million to \$5.3 million, a 141% increase.

In the good times, the State of Connecticut has invested in higher education; investments that will help our colleges and universities brave the reductions necessary to retain Connecticut's financial health.

Block grant reductions from adopted budget

Because of the tight fiscal environment, Governor Rowland's adjusted budget asks the higher ed units to tighten their belts somewhat.

SINCE FLEXIBILITY:GENERAL FUND EXPENDITURES, ESTIMATED FRINGE BENEFITS, AND GENERAL OBLIGATION BOND AUTHORIZATIONS FOR THE CONSTITUENT UNITS OF HIGHER EDUCATION

CONSTITUENT UNIT	SFY '92	SFY '93	SFY '94	SFY '95	SFY '96	SFY '97	SFY '98	SFY '99	SFY '00	SFY '01	SFY '02
In \$Millions											
UCONN											
GENERAL FUND EXP.	\$ 129	\$ 123	\$ 135	\$ 135	\$ 139	\$ 148	\$ 168	\$ 166	\$ 185	\$ 179	\$ 190
EST. FRINGE BENEFITS	\$ 53	\$ 31	\$ 49	\$ 48	\$ 41	\$ 41	\$ 48	\$ 48	\$ 60	\$ 60	\$ 70
GO BOND AUTHORIZATION	\$ 6	\$ 25	\$ 68	\$ 40	\$ 113	\$ 112	\$ 93	\$ 64	\$ 130	\$ 120	\$ 100
TOTAL	\$ 188	\$ 179	\$ 252	\$ 223	\$ 293	\$ 301	\$ 309	\$ 278	\$ 375	\$ 359	\$ 360
UCONN Health Center											
GENERAL FUND EXP.	\$ 51	\$ 48	\$ 51	\$ 39	\$ 57	\$ 59	\$ 64	\$ 69	\$ 76	\$ 92	\$ 73
EST. FRINGE BENEFITS	\$ 20	\$ 12	\$ 18	\$ 14	\$ 17	\$ 18	\$ 21	\$ 22	\$ 27	\$ 25	\$ 26
GO BOND AUTHORIZATION	\$ 2	\$ 44	\$ 10	\$ 15	\$ 9	\$ 10	\$ 5	\$ 8	\$ 4	\$ 3	
TOTAL	\$ 73	\$ 104	\$ 79	\$ 68	\$ 83	\$ 87	\$ 90	\$ 99	\$ 107	\$ 120	\$ 99
Community-Technical Colleges											
GENERAL FUND EXP.	\$ 82	\$ 78	\$ 81	\$ 82	\$ 90	\$ 94	\$ 96	\$ 105	\$ 115	\$ 116	\$ 124
EST. FRINGE BENEFITS	\$ 26	\$ 15	\$ 29	\$ 29	\$ 26	\$ 28	\$ 31	\$ 33	\$ 42	\$ 40	\$ 46
GO BOND AUTHORIZATION	\$ 10	\$ 5	\$ 21	\$ 7	\$ 18	\$ 15	\$ 19	\$ 70	\$ 77	\$ 75	\$ 69
TOTAL	\$ 118	\$ 98	\$ 131	\$ 118	\$ 134	\$ 137	\$ 146	\$ 208	\$ 234	\$ 231	\$ 239
Connecticut State University											
GENERAL FUND EXP.	\$ 94	\$ 88	\$ 95	\$ 98	\$ 101	\$ 110	\$ 114	\$ 120	\$ 135	\$ 131	\$ 138
EST. FRINGE BENEFITS	\$ 38	\$ 22	\$ 34	\$ 35	\$ 30	\$ 32	\$ 37	\$ 37	\$ 46	\$ 44	\$ 51
GO BOND AUTHORIZATION	\$ 10	\$ 39	\$ 30	\$ 20	\$ 46	\$ 56	\$ 34	\$ 30	\$ 81	\$ 88	\$ 89
TOTAL	\$ 142	\$ 149	\$ 159	\$ 153	\$ 177	\$ 198	\$ 185	\$ 187	\$ 262	\$ 263	\$ 278

NOTES:

- 1.The totals include Expenditures as reported by the Comptroller, Estimated Fringe Benefits, and Annual Bond Authorizations.
- 2.The totals above do not include the following in General Fund Endowment matches:\$35.4 million for UCONN, \$2.4 million for CSU, and \$1.6 million for the C-TCs
3. One time Deficit Reduction adjustment of \$20 million is included in fiscal year 2001 for UCHC.
4. In SFY's '98-'01, various adjustments are made for Year 2000 and other Information Technology items.
5. In SFY '02, \$5.6m of the Operating Reserves appropriation (\$12.4m) is counted. The balance will fund SFY '03.

INTRODUCTION

In the current fiscal year, between rescissions and November Special Session appropriations reductions, a total of \$4.9 million was reduced from the University of Connecticut's FY 2001-02 original block grant appropriation. The adjusted budget carries forward these reductions and reduces the adopted appropriation for FY 2002-03 by \$4.9 million. Still, the UCONN block grant in the adjusted budget will increase by about \$9.8 million from available monies this fiscal year. From the original FY 2001-02 appropriation, the block grant will increase next fiscal year by \$4.9 million.

The University of Connecticut Health Center saw total reductions in the current fiscal year of about \$1 million. The FY 2002-03 adopted budget is being modified down by that amount as well. The block grant next fiscal year will increase by \$2.3 million from estimated expenditures this fiscal year, or \$1.2 million from the original FY 2001-02 appropriation.

The Connecticut State University saw total reductions this fiscal year of \$3.1 million. The FY 2002-03 adjusted budget will reduce the appropriation by \$2.8 million. The block grant next fiscal year will increase by \$7.6 million from estimated expenditures this fiscal year, or \$4.5 million from the original FY 2001-02 appropriation.

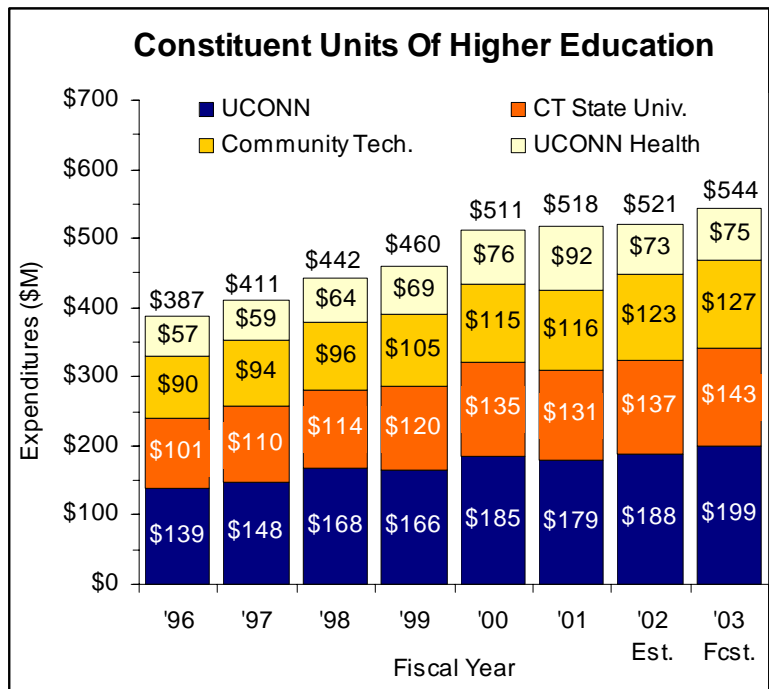
The Community-Technical Colleges saw total reductions this fiscal year of \$2.8 million. The FY 2002-03 adjusted budget will reduce the appropriation by \$3.0 million. The block grant next fiscal year will increase by \$7.5 million from estimated expenditures this fiscal year, or \$4.7 million from the original FY 2001-02 appropriation.

Total reductions in the block grants from the adopted budget are \$11.6 million. Total block grants in the adjusted budget will increase from estimated expenditures this fiscal year by \$26.6 million.

Said another way, almost \$27 million more is being provided to the three units than was made available this fiscal year for their operations. Again, it is important to note that the state will also have to increase its fringe contribution to the units based on the increase in the block grant.

Governor Rowland recognizes that these reductions in each year, while necessary, are not easy to bear. In an effort to help the units absorb the reductions he:

- Immediately transferred the full amount of the monies set aside for reserves in the FY 2000-01 surplus. This money was given over to the units early in the current fiscal year to help them during the biennium. The reserve contribution totaled \$12.4 million.
- Is making available monies in each year of the biennium from the Reserve for Salary Adjustments so that the units can defray some of the costs



- of two arbitration contracts. Total RSA contributions for these two awards to the units will be about \$3.2 million in the current fiscal year and \$1.7 million next fiscal year.
- Is not changing the fringe benefit calculations used in each year of the biennium despite reductions in the block grant. That amounts to the units retaining \$2.9 million that otherwise would have represented a further reduction.

Streamlining CSU/CTC administration

In view of the scarcity of state financial resources, Connecticut must find a way to streamline the costs of higher education. One of these ways is to reduce the cost of administration and governance. According to a recent report by the *Center for Public Higher Education Trusteeship and Governance*, more than half of the states “have debated or enacted changes in public higher education governance in recent years.”

The governance of higher education varies greatly throughout the country. An analysis of the states (from *Education of the States* data) shows a variety of governing and administrative structures. The analysis shows many states centralizing governance while others are completely decentralized. Connecticut, with its policy making Board of Governors of Higher Education, and the four boards of the University of Connecticut, Connecticut State University, Community-Technical Colleges, and Academic Awards (for Charter Oak State College) falls somewhere in the middle, with some overall governance and system consolidation.

Like many other states, Connecticut now needs to reflect upon its college administrative and governance structures as a way to reduce educational operational costs without harming the academic missions of the state’s institutions.

According to a February 2001, report by the Department of Higher Education, there has been excessive position growth in both the Community-Technical College (CTC) and State University (CSU) systems. While the University of Connecticut’s positions grew at a relatively modest rate of 1.6 percent annually, the CTCs and CSU systems grew at 4 percent and 3 percent annually. The growth for both the CTCs and CSU has not been in faculty, but in administration.

Both the CTCs and CSU had growth in non-faculty positions that exceeded 70 percent in the period between 1989 and 2001. This administrative growth occurred during a period of (primarily) enrollment declines throughout the public sector. It is only since 1998 that enrollment has been rebounding, although it has yet to reach the peak year of 1988.

With the significant growth in administrative positions, the faculty at the CTCs and CSU has steadily declined proportionately in importance. The DHE report cites that “faculty positions at the CTC system as a percent of total positions dropped 8 percent since 1989” and the “faculty positions at the State University as a percent of total positions dropped 13 percent.” It appears that the Boards of Trustees for both the CTCs and CSU have allowed non-faculty employment to garner a greater percentage of available resources in these two systems.

The growth of the CTC and CSU Central Offices has followed the general trend of administration in these two systems. Since 1994, the number of positions at the CTC Central Office has grown almost 30 percent, resulting in cost increases of about 95 percent. For the CSU Central Office, positions have grown at a rate of 45 percent, with cost increases of almost 85 percent.

The Chancellors' Offices - CTC and CT State University Positions and Expenditure Growth from 1995-2002			
	<u>SFY 95</u>	<u>SFY 02</u>	<u>Growth</u>
Community-Technical Colleges			
Positions	54	70	29.6%
Est. Exp. (in millions)	\$ 2.7	\$ 5.4	95.1%
Connecticut State University			
Positions	51	74	45.1%
Est. Exp. (in millions)	\$ 2.7	\$ 5.0	85.5%

Clearly, this growth cannot continue or it will threaten the integrity of the academic missions of these two systems.

Therefore, a merger of the administrative structures of the CSU and CTC systems is recommended in the Governor’s adjusted budget. While the systems would continue to function as individual

campuses, just as they do now, a merged Board of Trustees and a streamlined central office would govern the system. This option will provide a seamless, single strategic voice with which the governance of the two largest systems of public higher education can proceed. With this new administrative umbrella, the two systems will walk in lockstep, with a clear vision of the future of Connecticut's higher education in the new millennium.

The CTC and CSU systems will build upon the many facets of education that they have in common. They are multi-campus entities that rely on the BANNER system to control administrative functions. The two largest public higher education systems also share strong ties through their articulation agreements that allow students to matriculate at a CSU after attaining academic credentials at the CTCs. Finally, the new administrative and governance structure will give voice to the clear message that Connecticut's public higher education facilities are one of the state's most important partners in the economic development of the state.

The Governor's proposal is to merge the CTC and CSU administration functions and central offices effective January 1, 2003. Budgeted savings are \$2.5 million in FY 2002-03 and \$5.1 million in FY 2003-04. The \$2.5 million shows as a reduction to the Community-Technical Colleges block grant.

Restructuring the Connecticut Independent College Student Grant

With the streamlining and reductions that will be necessary in the public sector of higher education, it was reasonable to consider some adjustments to the state's contribution to the private sector of higher education.

Governor Rowland's adjusted budget includes a recalculation of the Connecticut Independent College Student Grant (CICSG). Those private universities whose endowments exceed \$100 million will not receive the CICSG grants. The impacted universities are: Yale, Wesleyan, Connecticut College, and Trinity.

With such significant endowments, it is expected that these universities would not be unduly affected by this recalculation and would continue offering the same level of aid to in-state students who attend those universities. Levels of funding for all other school would remain the same.

Savings of \$2.3 million result from this change.

Limiting CICSG to Institutions with Less Than \$100 Million in Endowments		
<u>Institution</u>	<u>Average Grant</u>	<u>Endowment Less Than \$100 Million</u>
Albertus Magnus	\$ 1,775,298	\$ 1,775,298
Briarwood College	723,421	723,421
Connecticut College	551,864	-
Fairfield College	1,822,966	1,822,966
Lyme Academy	83,702	83,702
Mitchell College	488,889	488,889
Paier College of Art	275,474	275,474
Quinnipiac University	2,338,946	2,338,946
Sacred Heart University	2,260,910	2,260,910
St. Joseph College	1,153,927	1,153,927
St. Vincent College	177,823	177,823
Teikyo Post College	919,492	919,492
Trinity College	596,223	-
U. of Bridgeport	442,962	442,962
U. Of Hartford	2,286,983	2,286,983
U. of New Haven	1,771,594	1,771,594
Wesleyan University	370,905	-
Yale University	735,556	-
Total	\$ 18,776,929	\$ 16,522,382
SAVINGS		\$ 2,254,547

21st Century UCONN

Governor Rowland's UCONN 2000 promised about \$1 billion to rebuild, renew, and enhance the UCONN Storrs campus and the regional campuses. UCONN 2000, which began in FY 1995-96 and runs through FY 2004-05, has transformed the campus and has made the University of Connecticut one of the best public research institutions in the nation.

This physical transformation has allowed UCONN to attract a greater number of academically gifted students. In the years to come, it is hoped that these students will be the leaders of the state's economy.

Governor Rowland's New UCONN Capital Investment Plan (In Millions)			
Fiscal Year	UConn 2000	Proposed UConn Plan	
1996	\$112.5		
1997	\$112.0		
1998	\$93.1		
1999	\$64.3		
2000	\$130.0		
2001	\$120.0		
2002	\$100.0		
2003	\$100.0		
2004	\$100.0		
2005	\$50.0	\$50.0	
2006		\$79.0	
2007		\$89.0	
2008		\$120.0	
2009		\$155.0	
2010		\$160.5	
2011		\$161.5	
2012		\$138.1	
2013		\$129.5	
2014		\$126.5	
2015		\$90.9	
Grand Total	\$982	\$1,300	\$2,282

The job, however, is not done.

Governor Rowland, in his legislative package, is recommending a new program, 21st Century UCONN. 21st Century UCONN will pick up where UCONN 2000 left off. It will be an eleven-year program beginning in FY 2004-05 with a supplemental bond authorization of \$50 million. The total 11-year program will be a commitment by the state to the University of Connecticut of \$1.3 billion. About \$1 billion will be invested at Storrs and the regional campuses, with about \$300 million going to the health center.

The investment in the University of Connecticut Health Center is critically important because, except for a \$40 million research wing backed by Governor Rowland, few capital investments have been made in the now decades-old health campus. Without the similar refurbishment as at Storrs, UCHC will be unable to emerge as a truly premier research center.

With this additional capital funding, UCONN will have an elegant and modern set of campuses

that will continue to attract the state's best and brightest students. Keeping these students in Connecticut for their post-high school education years is a key to retaining them in the state after graduation.

All told, over the 20-year period, a total of \$2.28 billion will have been invested in the UCONN system.

Renewed commitments to CSU and CTCs

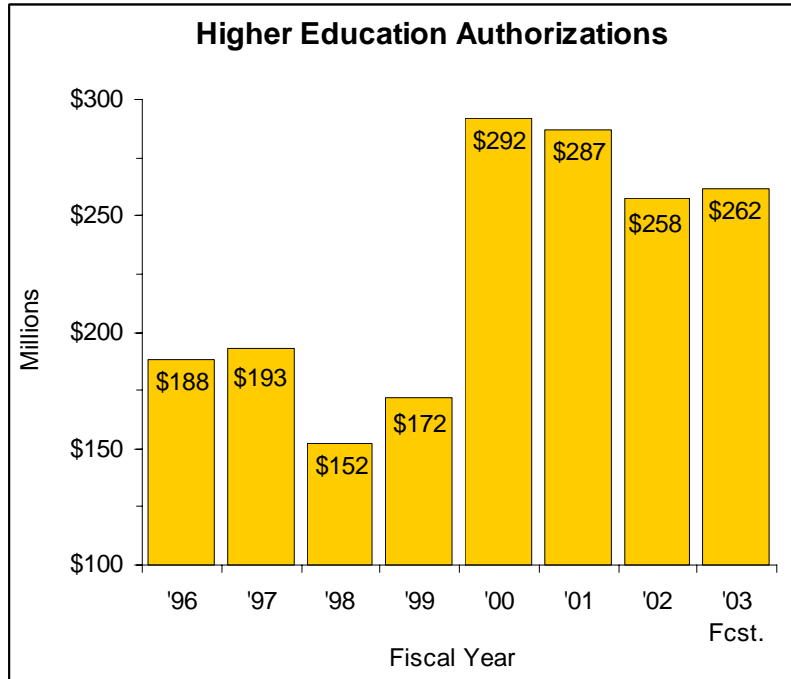
As announced in the original biennial budget, Governor Rowland is extending his original commitment to the Connecticut State University System (CSU) and the Community-Technical College System (CTCs) by five years. The first capital plan ran from FY 1995-96 and expires this fiscal year. It was actually formalized as an initial five-year plan in FY 1997-98.

Since FY 1995-96 through the current fiscal year, CSU received a total of \$426 million in authorizations to revamp its campuses. The CTCs received over the same time frame \$343 million.

Governor Rowland's 10-Year CTC and CSU Capital Investment Plan (In Millions)			
Fiscal Year	Authorizations		
	CTC	CSU	
1996	\$18.2	\$47.4	
1997	\$14.8	\$56.1	
1998	\$19.5	\$34.1	
1999	\$69.7	\$30.5	
2000	\$77.2	\$80.6	
2001	\$74.9	\$88.4	
2002	\$69.1	\$88.6	
Total	\$343.3	\$425.5	
	Recommended		
2003	\$66.2	\$95.7	
2004-Est	\$67.0	\$76.0	
2005-Est	\$67.0	\$76.0	
2006-Est	\$67.0	\$76.0	
2007-Est	\$67.8	\$76.3	
Total	\$335.0	\$400.0	
Grand Total	\$678.3	\$825.5	

Beginning next fiscal year through FY 2006-07, Governor Rowland is committing to additional capital dollars of \$400 million for CSU and \$335 million for CTCs.

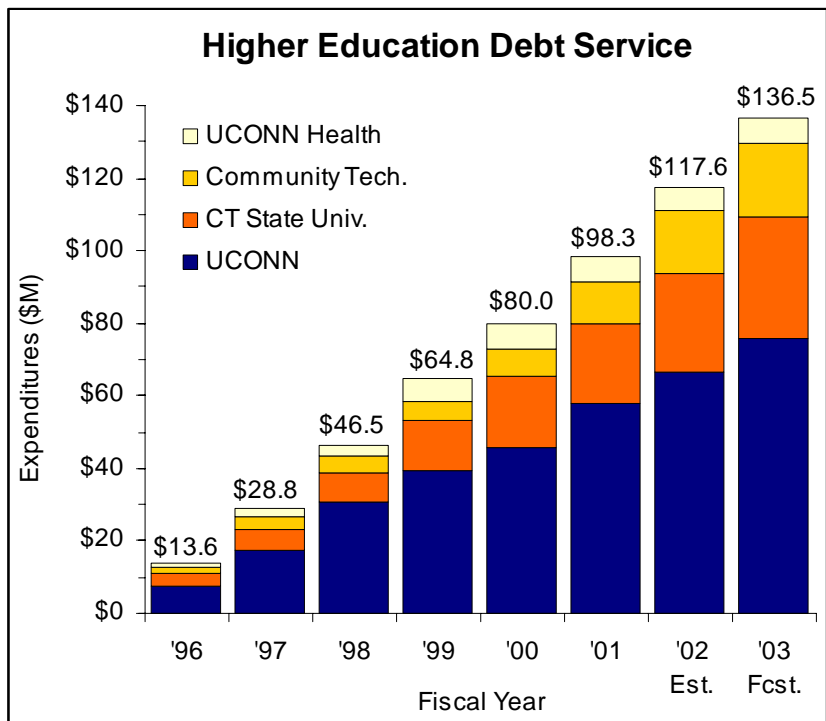
Total capital commitments for higher education



Since he came to office, Governor Rowland has ensured over \$1.5 billion in higher education capital authorizations have passed through FY 2001-02. Including the balance of the original UCONN 2000 plan, the new 21st Century UCONN, and the five year renewal for CSU and the CTCs, the Governor's total commitment to higher education capital projects will be almost \$3.8 billion.

In the current fiscal year, higher education authorizations were \$258 million; next fiscal year, the constituent units will receive another \$262 million in capital project funding.

This commitment has translated into a high level of debt service paid by the State Treasurer on behalf of the higher ed units. Annual debt service on higher education capital projects is estimated to be \$117.6 million in the current fiscal year, rising to \$136.5 million in FY 2002-03. Almost 12 percent of general fund debt service in the current fiscal year will be for higher ed projects, with the percentage increasing to 13 percent next fiscal year. The numbers will only continue to rise as more refurbishment of campuses is done. Thus, when considering support for public higher education in the state, it is important to include not only general fund block grant appropriations and fringe benefits payments on behalf of the units, but also the annual amount of debt service in the general fund.



Total education commitments

In FY 2002-03, \$916 million in bond authorizations, including about \$100 million in previously authorized school construction bonds and surplus debt avoidance set aside, will be utilized for lower and higher education purposes.

Governor Rowland's Education Commitments	
	<u>FY-03</u>
<u>Department of Education</u>	
School Construction	\$ 601.0
Grants for improvements	13.1
Vo-Tech Schools	15.0
ASD	10.0
CT Education Network	10.0
Wiring	2.0
Sub-Total	\$ 651.1
Connecticut State University	95.7
Community Technical Colleges	66.2
University of Connecticut	100.0
State Library	3.5
Grand Total	\$ 916.4

Higher education endowment matches

Because of the fiscal crisis in the state, Governor Rowland unfortunately had to propose using \$157 million in remaining FY 2000-01 surplus to help balance the books this fiscal year. While \$8.7 million was transferred to the Department of Higher Education to match the fund-raising efforts of the units for FY 2001-02, unfortunately about \$10 million to match the efforts in FY 2002-03 was removed.

The Governor recognizes the importance of this program. It has been successful in building endowments at the public campuses. While no money remains to match the fundraising for next fiscal year, Governor Rowland is committed to ensuring that the public colleges and universities

receive the FY 2002-03 monies once the Rainy Day Fund is full again and there are available surpluses. This commitment is similar to one he made regarding tobacco education monies as well.

NEBHE membership

Governor Rowland is proposing to restore membership dues for the state's participation with the New England Board of Higher Education. The dues were eliminated from the second year of the biennial budget. The add is for about \$370,000.

The Governor is proposing an addback for two reasons:

- The leadership at NEBHE has indicated that it is streamlining operations and will reduce membership dues over time.
- Students and families receive significant benefits from Connecticut's membership – benefits that would be hard to duplicate. The Regional Student Program run through NEBHE allows tuition discounts to students who enroll at out-of-state colleges and universities to study in certain specialized majors not available at public campuses in Connecticut. In FY 2000-01, almost 1,200 state residents participated and saved \$6.9 million in tuition, according to NEBHE. Tuition reductions averaged about \$5,900 per year. It is clear that membership is cost-effective.

Development of a True Continuum for Long-Term Care

Governor Rowland has understood the importance of providing a full continuum of care for Connecticut’s elderly and residents with disabilities. He has had the foresight to make a priority of the development and expansion of long-term care options – options that develop a system of care that provides individuals and their families the dignity to receive the supports they need in the setting of their choice.

For the past seven years, Governor Rowland has championed the enhancement of long-term care alternatives in the home and community. In partnership with the General Assembly, the Governor has implemented numerous initiatives to expand the community options available to our citizens with disabilities.

The changes in the state’s long-term care environment have been nothing short of remarkable. In January of 1997, Governor Rowland ended the practice of rationing home and community care by setting up a no waiting list policy on both the state and federal Medicaid waiver programs. Due to his unprecedented commitment to home care and the additional expansions outlined below, there has been a significant increase in the number of individuals receiving home care and assisted living from both the state and Medicaid portions of the Connecticut Home Care Program (CHC) for Elders. Since the change in philosophy, home care enrollment in both portions of the program has increased from 6,024 in December 1994 to 11,573 in December 2001.

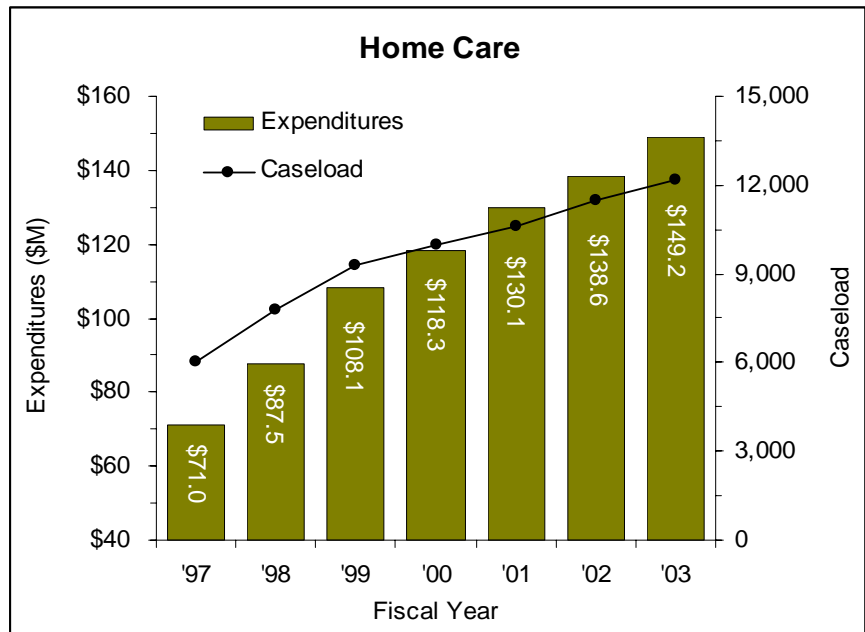
Expanding home care eligibility

CHC provides to those seniors 65 years and older who are at risk of nursing home institutionalization the necessary services to keep them at home and in the community. An array of services, ranging from medical to support services, is available to assist elders in the community.

Effective October 1, 2000, the Department of Social Services (DSS) began implementing the Governor’s landmark proposal to include a "medically needy" component to the CHC program, allowing individuals with incomes over 300 percent

of the Supplemental Security Income (SSI) level to be eligible for the program as long as they apply some of their income toward their care and their income does not exceed the cost for nursing home care. Individuals are allowed to retain 200 percent of the federal poverty level (approximately \$1,500 per month). All other income is applied towards their care.

Prior to October 1, 2000, an individual’s income could not exceed 300 percent of the SSI threshold. If an individual was as little as one dollar over the income limit, even if they met other CHC program eligibility criteria, they were ineligible to receive CHC program services. Ironically, most of those same individuals would be allowed to apply their income to nursing home care and be covered by Medicaid. Thus, the CHC program, with its strict income guidelines, was in effect forcing individuals out of home care and into more-expensive nursing home care.



INTRODUCTION

Approximately \$3 million is included in the Governor's budget for FY 2002-03 to continue this important expansion of the CHC program that provides Connecticut's elders with choices as to where they receive their long-term care. And for many, it will potentially delay or eliminate the need for costly nursing home care.

The funding for this expansion is budgeted in the state-funded portion of the CHC program because the federal government has, up to now, rejected this buy-in approach for home care covered through Medicaid. Connecticut is poised to make a similar expansion for the Medicaid waiver portion of the CHC program as soon as federal approval can be secured. Governor Rowland was heartened to read in the Department of Health and Human Services recent report to President Bush, "Delivering on the Promise – Preliminary Report of Federal Agencies' Actions to Eliminate Barriers and Promote Community Integration," a show of support for Connecticut's proposal to expand income eligibility for the Medicaid home care waiver and he will continue to work with the Bush administration and Congress on this important issue and hopes federal approval will be forthcoming. Regardless, Governor Rowland plans on supporting the expansion with or without federal approval.

In addition, in July 2000, DSS began implementing a 50 person pilot program to provide Personal Care Attendant (PCA) services through the CHC program. This pilot:

- Benefits those individuals turning 65 years of age who had received PCA services under the DSS PCA Waiver by allowing them to continue those services when they transition onto the CHC program.
- Allows current CHC clients the option of PCA services if no formal services are available.
- Helps provide the means to evaluate the impact PCA services can have on the nursing and home health aide shortage that has impacted all aspects of the long-term care system.

As of December 31, 2001, twenty-nine CHC clients are participating in the pilot with another 19 clients who have applied for the pilot awaiting approval.

Expanding assisted living options

One of Governor Rowland's most important long-term care initiatives that was passed in 2000 by the General Assembly was the expansion of assisted living services in state-funded congregate housing, federally financed HUD complexes and new subsidized assisted living facilities.

In congregate housing

Building on the successful pilot program at the St. Jude Common in Norwich, the Department of Economic and Community Development (DECD) and DSS have begun the introduction of assisted living services within state-funded congregate housing facilities. Seventeen of the 24 congregate facilities are participating in this service expansion and all are fully operational. The Governor's budget includes \$828,000 in FY 2002-03 to continue implementation of this initiative. As of December 31, 2001, 121 congregate residents have received assisted living services through the program.

In addition, \$626,000 for FY 2002-03 has been included in the budget to continue the provision of grants to all 24 congregate facilities for a resident service coordinator, prevention and wellness programs and emergency transportation needs.

DECD has also begun the process to implement the Governor's proposal to build 95 new congregate units over the next three years. These new units, which will be built in Bridgeport, Danbury and New Haven, will include the enhanced core services noted above, with the option of also including assisted living services.

In HUD complexes

Another of Governor Rowland's long-term care initiatives was to forge a partnership with the federal government by providing assisted living services within federally financed HUD complexes. Two HUD facilities are participating in the pilot. Funding of \$384,600 is included for FY 2002-03 to continue this pilot.

As of December 31, 2001, 56 residents in the two HUD facilities are receiving services through the pilot.

In free-standing units

Over the past several years, DECD, DSS and the Connecticut Housing Finance Authority (CHFA) have been developing the Assisted Living Demonstration Project which, when fully operational, will provide 300 subsidized assisted living units in both urban and rural settings.

This unique project combines the development financing through CHFA, the necessary housing component through rental subsidies from DECD, and services through DSS' CHC program. Four projects have been approved through an initial round of financing with another round of financing to be awarded in March 2002. A total of 4 projects were awarded in the first round. Cities with projects in the first round are: Glastonbury, Hartford, Middletown and New Britain. Financing packages are being finalized and the first units should open in late 2002.

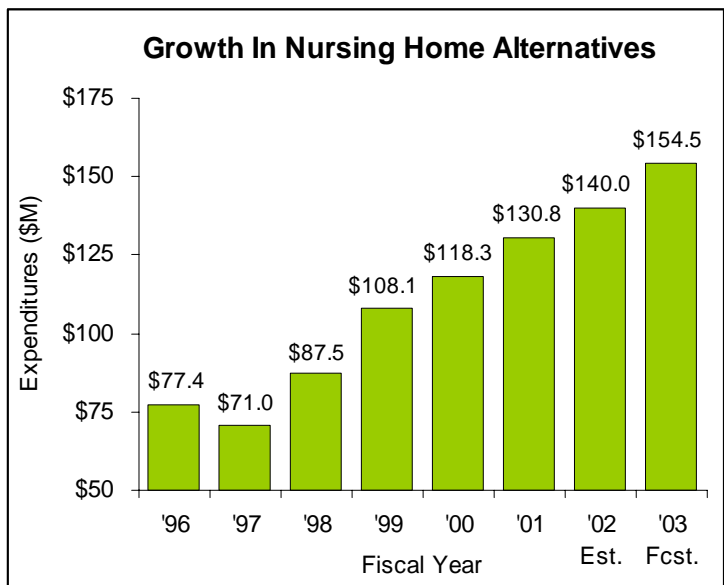
The Governor's budget includes \$3.5 million for rental subsidies and services in FY 2002-03, with a fully annualized cost of approximately \$7.2 million. Due to a delay in the implementation of the project, the original appropriation was reduced by approximately \$2.9 million. However, Governor Rowland is firmly committed to fully funding the Demonstration Project when all 300 units are operational.

Rate increases and hardship fund

Governor Rowland recognizes that building the continuum of care and expanding home and community care access cannot be done without adequately funding providers. In the original biennial budget, the Governor proposed an increase of 3.5 percent in rates over the two fiscal years. In FY 2001-02, \$4.4 million was included for a 2 percent rate hike. In the original FY 2002-03 budget, \$3.8 million more was added for an additional 1.5 percent increase.

Notwithstanding the fiscal climate, the Governor understands that many home, community and adult day care providers are in crisis. The adjusted budget adds \$1.2 million to boost the FY 2002-03 rate increase from 1.5 percent to 2 percent. In addition, the adjusted budget also includes \$2.5 million in additional funding for home and community care providers and adult day care agencies experiencing financial distress. It is hoped that both the additional rate hike and hardship monies will help agencies become more competitive in the health-care marketplace and recruit nursing staff.

The adjusted budget increases rate monies by \$3.7 million. Total rate



increase dollars from FY 2001-02 will be \$7.5 million. Rate adds over the biennium will total \$11.9 million.

All told, as outlined in the previous chart, the Governor’s budget calls for expending \$154.5 million in FY 2002-2003 on alternatives to nursing homes. This more than doubles the amounts being spent on alternatives to nursing home institutionalization in just six years.

Planning for community integration

Governor Rowland’s long-term care initiatives over the past several years have enhanced Connecticut’s ability to provide long-term care options to the elderly and individuals with disabilities in need of services and housing options.

Under the 1999 Supreme Court ruling known as the “Olmstead Decision,” states will now be challenged to develop community infrastructures to support the transfer of individuals from nursing homes and other institutions into the community and prevent institutionalization.

The rapidity with which the state has begun revamping its long-term care system is a testament to the foresight and dedication of Governor Rowland and the hard work of numerous individuals throughout state government. The policy rationale for developing a full continuum is clear: it is cost-effective when compared with nursing home institutionalization and it ensures that our elders live in the community with dignity intact well into their senior years.

To build on the important work already put in place to expand home and community-based options, Governor Rowland proposes the following additional initiatives in his FY 2002-03 adjusted budget.

Average Monthly Costs Based on Type of Care	
\$4,615	Medicaid Nursing Facility Rate (without applied income)
\$1,357	Assisted Living (without applied income)
\$1,023	Home Care (combined Waiver and State-funded)

Additional assisted living pilots

The congregate, HUD, and subsidized assisted living programs noted above are all important components of the Governor’s strategy to help low-income elderly and individuals with disabilities remain in the community as long as possible.

However, the Governor is also committed to trying to help those individuals residing in private pay assisted living facilities who exhaust their resources and may be forced to enter a nursing home prematurely. To help these individuals and families, the Governor is proposing two pilot programs as part of his adjusted budget.

Medicaid-funded pilot

This pilot would allow up to 50 persons residing in private pay assisted living facilities to receive support from Medicaid, through the CHC Program, for their assisted living services once they have exhausted their resources. While the pilot would not pay for any room and board charges, it will help subsidize the cost for services, which oftentimes can be the reason the individual can no longer afford to live in the facility.

Because the Governor wants to make sure that the pilot serves those who legitimately have exhausted their assets, the Department of Social Services will seek a waiver from the federal government to tighten the transfer of asset rules specifically for the population served under the pilot.

However, the pilot will begin implementation in January 2003 even if the federal waiver for the asset transfer component had not yet been secured.

State-funded pilot

Similar to the Medicaid-funded pilot, the State-funded pilot would allow up to 25 individuals residing in private pay assisted living facilities to receive support for their assisted living services under the State-funded component of the CHC Program. Room and board charges will not be covered and the pilot will begin in January 2003.

As with the Medicaid-funded pilot, the Governor wants to make sure this pilot serves those truly in need. Therefore, besides the normal eligibility rules for the CHC Program, individuals will also have to prove that they had not transferred any assets for less than fair market value during the three years prior to applying for the pilot.

Transfers of Assets

Last legislative session, at the request of Governor Rowland, the General Assembly included a provision in Public Act 01-2 instructing the Department of Social Services (DSS) to apply for a waiver from the federal government to tighten the penalty period provisions for transfers of assets under the Medicaid program. The waiver proposal, which DSS had drafted and will be submitting to the General Assembly for review, will change the start of the transfer of asset penalty period to the date of Medicaid eligibility as opposed to the current practice of when the transfer was made.

The current transfer of asset penalty period provision creates opportunities for individuals to transfer significant resources for less than fair market value and not be deemed ineligible for Medicaid for even one day. The waiver proposal, if approved by the federal government, will help Connecticut target Medicaid services to those most in need and to those who legitimately utilized their resources to pay for their care. About \$10 million is assumed as savings in the FY 2002-03 budget and beyond from the approval of the asset transfer waiver.

Important to this initiative is the presence in Connecticut of the Partnership for Long-Term Care program, the first program of its kind to link private long-term care insurance and the Medicaid program. While not appropriate or available to all, the Partnership can provide an important long-term care-planning tool that allows policyholders to privately fund for the front end of their long-term care with the ability to protect some or all of their assets if they need Medicaid after their private insurance is exhausted. While the Partnership has experienced success to date, with over 20,000 Connecticut residents having purchased policies, the closing of a major loophole regarding transfers of assets will make private options, such as the Partnership and long-term care insurance in general, more attractive and important to Connecticut residents.

Taken more generally, such Medicaid waivers are essential if the state and nation are ever going to afford to take care of elderly citizens in the future. Indeed, for each state to be successful at taking care of its citizens in old age, long-term care insurance, Medicaid loophole closure, and investments in a continuum of care must all be looked at and approached together. Residents must essentially be willing to enter into a covenant with the state. Equity and fairness must prevail.

Long-term care insurance will never become broad-based or universally accepted unless Medicaid loopholes are closed. A continuum of care will become far too expensive unless Medicaid loopholes are shut down. Long-term care insurance will never be viable unless a cost-effective system of care – a true continuum -- with a full array of services is offered for residents at all income levels. Each issue feeds the other. You need each to build a successful system. With a full continuum and Medicaid loopholes shut down, the covenant concept can take hold. Over time, citizens will understand that long-term care insurance makes sense, especially if the state is there to help out after that insurance has been exhausted.

Nursing Home Transition

In September 2001, the Department of Social Services was fortunate to receive a three-year \$800,000 grant from the Department of Health and Human Services to help transition individuals with disabilities out of nursing homes and back to the community. The grant, which was awarded as part of President Bush’s New Freedom Initiative and Systems Change Grants for Community Living, will:

- Develop an effective system for transitioning appropriate individuals in nursing homes who desire to live in the community back into the community. The goal is to transition 150 nursing home residents over the three-year period of the grant.
- Research and implement best practices in nursing home transition.
- Design and implement an effective outreach campaign to better inform nursing home residents and their families about long term care alternatives.
- Design professional development and value-based training for targeted audiences that include information about the needs of persons with disabilities, principles of independent living, self-determination, social role valorization, and cultural diversity.

The Nursing Home Transition grant will significantly help Connecticut in its efforts to provide community options for nursing home residents and comply with the Olmstead Supreme Court decision dealing with the provision of supports in the least restrictive setting.

Developing the continuum: A timeline

The following timeline illustrates certain milestones in the Governor’s development of nursing home alternatives and when the various initiatives described above were, or will be, operational.

<u>Governor Rowland's Continuum of Care</u>	
<i>Jan. 1997</i>	No Waiting List Policy Instituted for Home Care Program
<i>Jan. 1998</i>	Home Care Program Waiting List Eliminated
<i>July 1998</i>	St. Jude Congregate Assisted Living Pilot Launched
<i>Oct. 2000</i>	Home Care Program Eligibility Expanded
<i>Jan. 2001</i>	Assisted Living in Congregate Housing Initiated
<i>Jan. 2001</i>	Assisted Living in HUD Pilots Initiated
<i>Dec. 2002</i>	300 Subsidized Assisted Living Units Begin to Come Online
<i>Sept. 2003</i>	800 Assisted Living Clients Covered by Medicaid and State-funded Programs

Protecting Connecticut's Human Services Safety Net

Connecticut has had a long tradition of reaching out to the most vulnerable in society and offering a helping hand. Throughout the last many decades, Connecticut has created a human services safety net that is hard for many other states to match. Indeed, a recent report from the UnitedHealth Foundation determined that Connecticut ranks fourth in the nation in terms of being a healthy state in 2001, up from ninth in 2000. Connecticut has been one of the top 10 states over the last 12 years. Our state ranked in the top 10 on 10 of 17 individual measures.

UnitedHealth found that the prevalence of smoking in Connecticut dropped from 22.8 percent to 19.9 percent of the population. In 1990, our smoking prevalence was at 29.6 percent. Lack of health insurance improved from 12.8 percent without coverage to 9.8 percent. Our infant mortality rate dropped from 7.1 to 6.6 per 1,000 live births.

In these trying economic times, many residents are falling back on the safety net in order to meet some of their basic life necessities.

Governor Rowland is cognizant of the critical nature of many of the human services programs offered by the state and he has struggled to ensure that human services programs are maintained to the greatest extent possible in this adjusted budget.

Despite the major gap in the adopted budget, that mission was accomplished. It was done so in the face of exceedingly high cost pressures in a variety of areas, rising caseloads in the medical assistance areas, and fewer individuals leaving the welfare rolls and more coming on because of the lackluster economy.

Aiding private providers

The state relies heavily on the private sector to provide a wide variety of living arrangements and services for people with mental retardation and mental illness. Unfortunately, during the November Special Session, one-time dollars to help private providers retire debt, undertake capital projects, or make other one-time purchases were reduced. Governor Rowland had to make the decision to take away the final small amount of remaining monies because of the worsening deficit in the current fiscal year. But during the special session, the Governor and legislative leaders committed that ongoing rate increases put in the biennial budgets in the 2001 session would not be reduced.

Governor Rowland delivers on that promise in this adjusted budget and provides additional dollars to aid private providers and their clients. The FY 2002-03 adjusted budget includes \$33.3 million in funding to annualize the 3.5 percent increase granted in the current fiscal year to providers under contract with the Departments of Mental Retardation, Mental Health and Addiction Services, Social Services, Correction, Children and Families, the Children's Trust Fund, the Judicial Branch and Adult Probation.

The adopted budget included \$14.3 million for an additional 1.5 percent cost of living as of July 1, 2002. That rate increase has been preserved in the adjusted budget: \$7.5 million that was included in the adopted FY 2002-03 budget for private providers in a general OPM account was reallocated to the requisite agencies in the adjusted budget submission.

In addition, the Governor has added an additional total of \$3 million in three agencies – DMR, DCF, and DMHAS – in recognition that a number of agencies are experiencing financial hardship and that these departments need to renegotiate contracts to better reimburse certain providers for the extraordinary costs incurred for very complex client populations. Each agency will have a pool of funds that can be used to address extraordinary staffing, intense medical needs or situations of extreme financial distress.

Private Provider Increases Fiscal Year 2002-03				
	Annualization of 3.5% in FY 02 to FY 03	FY 03 1.5%	FY 03 Supplemental	Total FY 03
Mental Retardation	\$ 12,394,622	\$ 5,311,980	\$ 1,302,861	\$ 19,009,462
Mental Health and Addiction Services	7,265,112	3,113,620	763,672	11,142,404
Social Services	1,652,024	708,010		2,360,034
Correction	682,745	292,605		975,350
Parole	113,327	48,569		161,896
Children and Families	8,880,436	3,805,903	933,467	13,619,806
Children's Trust Fund	150,625	64,553		215,178
Judicial	2,160,159	925,781		3,085,940
Total	\$ 33,299,050	\$ 14,271,021	\$ 3,000,000	\$ 50,570,071

In a further effort to aid private providers and their workers, Governor Rowland is proposing a small business health insurance subsidy pilot. The pilot is described in greater detail later on in this section. It is the Governor's intent to allow non-profits under contract with the state to participate in this pilot either through a chosen small business pool vendor or through the recent expansion of the Municipal Employees Health Insurance Program (MEHIP).

Last session, Governor Rowland fought for the expansion of the MEHIP program to non-profit agencies under contract with the state. The expansion allows these entities to participate in the health program and potentially have small group employer insurance rules waived so as to allow pooling of risk. Even if the waiver is not cost effective, entities can save administrative dollars by utilizing the program. The traditional package of state employee plans will be offered as will more basic commercially available plans that generally cost substantially less.

The Governor's new small business health insurance subsidy program would provide \$60 to \$100 per person per month to offset employee premiums in the MEHIP or other selected vendor programs. It is anticipated that a federal waiver can be obtained to offset some of the state cost of the subsidy program.

ConnPACE expansion

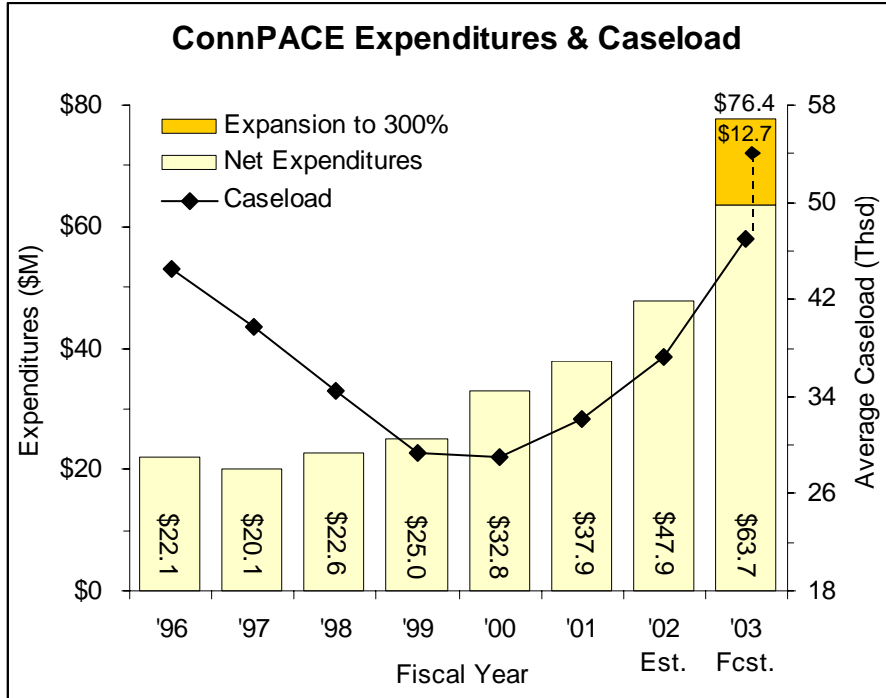
Currently, eligibility for the ConnPACE program is limited to those whose adjusted gross income does not exceed \$15,600 if single or \$18,700 if married. As of December, 34,307 elderly and disabled were enrolled in the ConnPACE program.

In accordance with recent legislation, income eligibility will increase to 233 percent of the federal poverty guidelines effective April 1, 2002 (\$20,000 if single or \$27,100 if married). With this increase, it is expected that an additional 12,100 clients will enroll in the program at an added cost of almost \$4.3 million in FY 2001-02 and \$18.1 million in FY 2002-03.

In order to provide prescription coverage to even more elderly and disabled, the Governor is seeking a waiver of federal funding rules to allow Medicaid dollars to support ConnPACE.

President Bush's latest prescription plan calls for states to file for federal waivers to cover populations up to 200 percent of poverty. Further, his Medicare drug proposal also allows states with comprehensive drug assistance programs to utilize those federal dollars to offset some of their costs or to expand eligibility.

The federal government appears to be targeting coverage at no more than 200 percent of poverty. Under existing law, using 2001 income levels, ConnPACE is already at 156 to 176 percent of poverty depending on marital status. Still, the state believes it has a good shot at receiving a waiver for 50 percent of program costs or at least the cost of any expansion beyond existing law. It can make a compelling case that states that historically have done a good job providing coverage at their own expense should not be penalized by a lowest-common-denominator philosophy. In addition, Connecticut's cost of living is well above the national average and such low eligibility thresholds do not work here. Lastly, over time, a more expansive program should save both Medicaid and Medicare money, no matter the income of individuals.



If the state receives federal approval, revenue will be maximized and the additional dollars received by the state will allow the Governor to increase income eligibility to 300% of the federal poverty level. Assuming the waiver is approved and the new income limits are in effect beginning July 1, 2002, an additional 11,200 clients are expected to enroll in ConnPACE (beyond the expansion to 233 percent of poverty) at a cost of approximately \$12.7 million in FY 2002-03.

It is expected that the Legislature will hold a public

hearing and approve the Governor's waiver proposal sometime in February.

The adjusted budget also proposes to place a reasonable asset test on ConnPACE eligibility. Given this significant increase in income eligibility that will occur beginning April 1, it is proposed that an asset test be instituted. By no means are we talking about the asset tests that apply to Medicaid. An individual could have assets up to \$50,000 per individual, with \$75,000 per married couple. Individuals would be required to detail all assets, including those owned jointly. Assets considered in the asset test would include: bank accounts, stocks, bonds, certificates of deposit, cash surrender value of life insurance policies, and non-home property. The applicant's home would not be counted as an asset if it were the applicant's primary residence.

	<u>Singles</u>	<u>Married</u>
Current	\$15,600	\$18,700
4/1/2002	\$20,000	\$27,100
7/1/2002 or later (if federal waiver granted)	\$25,800	\$34,800

The theory behind instituting such an asset test is that in times of tight fiscal resources, monies should be dedicated to those most in need. Certainly, those who have such assets can afford to purchase private insurance.

The Governor is also sponsoring legislation to ensure that no elderly or disabled resident will be denied eligibility in ConnPACE due to the fact that they received stock or cash from the Anthem demutualization and it pushes them over income limits.

HUSKY enrollment and program changes

The creation of the Healthcare for Uninsured Kids and Youth (HUSKY) plan has been a thrilling success for the administration of Governor Rowland. Created in late 1997 and officially launched in July of 1998, HUSKY meant a streamlined application process, coordinated outreach and one-stop shopping for state residents. By renaming traditional Medicaid HUSKY A, the stigma of a government program was removed. Creating a cost-effective non-Medicaid program ensured that children between 185 percent and 300 percent of poverty would have access to quality health care. A buy-in above the 300 percent of poverty allowed additional access to health care for children. The recent introduction of HUSKY Adults, which allows adults up to 150 percent of poverty with children in the program to enroll, has meant even more children entering the program.

Since the launch, HUSKY A and B children caseloads have grown by more than 40,000. About 20,000 adults have also enrolled under the new option. The enrollment has been so heavy that HUSKY A and HUSKY Adults need a cash infusion this fiscal year of \$31 million beyond what was budgeted. In the FY 2002-03 adopted budget, \$500 million was budgeted for HUSKY A and HUSKY Adults. The adjusted budget adds \$44 million because of anticipated caseload increases. HUSKY B was budgeted for \$21.1 million, and an additional \$3.6 million was added in the adjusted budget for increased enrollment.

The surge in enrollment has been pronounced over the last calendar year. Total HUSKY A Medicaid enrollment for children and adults increased by 24,555 people from January to December of last year. Enrollment in HUSKY B for children went up some 3,000 between January 2001 and January 2002. The number of children on both programs increased 11,605 in 2001.

Part of the surge in enrollment is because of the introduction of presumptive eligibility for the program. Governor Rowland has instructed the Department of Social Services to continue to expand the program to other eligible entities. An implementation schedule developed by DSS includes future expansions to school-based health centers, community health centers, head start providers, WIC programs, and child care centers over the course of this year.

It is anticipated that enrollment will hit almost the 300,000 mark by June 30, 2003, up from about 250,000 at the end of last fiscal year.

Because of the significant costs of the program, the Governor is proposing a change to the HUSKY Adult program. While their children would continue to remain in the Medicaid portion of the program with no premium or change in benefits, the adjusted budget proposes to offer the adults between 100 percent and 150 percent of poverty the HUSKY B benefit as well as charge a \$30 premium share per month.

HUSKY Caseload						
	HUSKY A	HUSKY B	HUSKY	Small		%
	Children	Children	Adults	Business	Total	Increase
Jun-97	218,244	0	0	0	218,244	
Jun-98	221,151	80	0	0	221,231	1.37%
Jun-99	231,051	3,479	0	0	234,530	6.01%
Jun-00	234,006	5,586	0	0	239,592	2.16%
Jun-01	233,467	8,281	7,879	0	249,627	4.19%
Jun-02 *	251,538	12,401	20,472	0	284,411	13.93%
Jun-03 *	254,657	16,040	21,731	5,000	297,428	4.58%

*Estimated

The HUSKY B benefit package includes a \$5 co-pay for physician services and a two-tiered pharmacy co-payment structure of \$3 for generics and \$6 for brand. DSS would be required to submit a federal waiver in order to implement this proposal.

The \$30 premium and minimal co-pays are a modest price to pay for a health package that far exceeds anything the vast majority of private-sector commercial market plans in Connecticut offer.

It is anticipated that this change can be accomplished by January 1, 2003, for a savings in the DSS budget of \$5.6 million. A portion of this savings is being reinvested in creation of a small employer health insurance subsidy program.

The Governor also proposes to reduce the HUSKY Outreach and Data Collection account. The account funds outreach and Healthy Start efforts conducted by 15 entities, as well as the Children's Health Initiative, which analyzes data supplied to it by the MCOs.

The Children's Health Initiative currently receives encounter data from Medicaid managed care entities and reviews that data so as to inform the MCOs which specific Medicaid eligible children require certain services. This process appears to be duplicative of the efforts of one of DSS' contractors who perform the same function. In the past, the Children's Health Initiative had collected and analyzed encounter data so that mandated federal reports could be filed. These functions are now performed in-house at DSS.

The Governor proposes to significantly reduce funding for outreach and to eliminate funding for the Children's Health Initiative. The \$1.5 million which remains available in this account should allow for the continuation of those functions determined to be critical. The savings because of this change is about \$4 million annually.

Small employer health insurance subsidy program

Governor Rowland is proposing to establish a small employer health insurance subsidy program in an effort to improve access to health care and offer residents wider choices. It is known that many residents do not wish to enroll family members in state-run health insurance, whether HUSKY A Medicaid or HUSKY B. Yet these individuals either work for a business that does not offer health insurance or are unable to afford the employee premium share of an employer-sponsored plan.

The state would apply for one of a number of possible federal waivers to establish a capped, non-entitlement program for between 3,000 and 5,000 enrollees. The Department of Social Services would contract with one or more small employer purchasing pools. The state would provide subsidies to the employer-sponsored plan to offset employee premium shares. Safeguards would be placed in the program to ensure that employers do not reduce their existing commitments to providing health insurance to their employees. The state would also provide employee premium share subsidies to those participating in the new private provider MEHIP option that was described earlier.

Individuals and families under 185 percent of poverty would be eligible to participate in the program. Childless workers would be eligible for a subsidy toward their premium share of \$60 per person per month, up to the total premium share. Families would be eligible for a subsidy of \$100 per person per month up to the total premium share. Individuals eligible for HUSKY A could decline coverage and participate in the new program. Any individuals enrolled in General Assistance, Medicaid fee-for-service, HUSKY A managed care or HUSKY Adults would not be eligible for the subsidy program.

It is anticipated that coverage would be comparable to commercially available HMO coverage in the state. \$1.5 million is being appropriated in FY 2002-03 to begin the program April 1, 2003. The pilot program would be capped at an annual appropriation of \$3.6 million for subsidies, with no more than \$400,000 going toward administration.

Children with special health care needs

Disabled children with serious chronic medical conditions have ongoing significant health care service needs and require intensive care if they are to remain at home with their families rather than be institutionalized. Connecticut presently has a solid foundation to provide services to children with special health care needs. Approximately 3,000 children are served through the state's two major programs in the Departments of Public Health and Mental Retardation. However, as in any service delivery system, there are outstanding issues that could be addressed to enhance the system.

Special Act 01-8, An Act Requiring Coordination of Services for Children with Special Health Care Needs, calls for state agencies to develop a plan for the coordinated delivery of services to these children. Chaired by the Office of Policy and Management, this interagency group has been meeting for the past four months and has identified five major concerns regarding the existing service system: a lack of knowledge about the existing services system, a need for additional family support services, the increasing cost of equipment and technology, a scarcity of child care, and a lack of coordination among the various agencies involved with this population.

Among these concerns, the need for additional family support services is a priority. Respite care is the most commonly requested family support. Respite gives families a break from ongoing care-giving responsibilities and is a vital support that helps prevent crisis situations.

To address this pressing need, Governor Rowland is recommending an additional \$500,000 be allocated to the Children with Special Health Care Needs Program in the Department of Public Health to expand existing community respite programs for planned or emergency respite. This funding will expand the pool of respite providers and will enhance families' abilities to keep children at home.

In addition, Governor Rowland proposes to add two case managers to the Children with Special Health Care Needs program to provide in-depth care coordination for additional families. Together with the family and other services providers, case managers develop a plan of care to guide families through the maze of the child's needs and ensure that families are referred to all appropriate and available services.

These budget expansions, along with other non-budgetary recommendations, will significantly enhance the service delivery system in Connecticut for children with special health care needs.

Restructure rates for managed care organizations participating in HUSKY

The adjusted budget proposes some major changes to the HUSKY program in terms of reimbursements to HMOs.

Two of the HMOs participating in the program currently are eligible for a tax credit on their premiums tax for commercial enrollees that amounts to \$73.50 times the average number of enrollees they have in both HUSKY plans in a given calendar year. This was a bonus offered the HMOs in lieu of additional rate increases in the past. It also helped the state to manage itself within the spending cap at the time.

But the tax credits have become overly expensive, especially in these economic times. Further, because two of the HMOs do not have commercial business or enough of it to take full advantage of the tax credit, an uneven playing field was created: Some HMOs received greater payments than others for providing the same services.

In lieu of the tax credit for calendar year 2001, the state is proposing to appropriate \$14 million for the value of those tax credits in the current fiscal year. The two HMOs – Anthem and HealthNet will pay their full premiums tax in March without taking a credit. DSS would then reimburse them for the

amount of the tax credit sometime in June. It is anticipated that this supplemental payment will be eligible for federal reimbursement that would be received in FY 2002-03.

In lieu of the tax credit for the first half of calendar year 2002, the state would make available to those two HMOs another supplemental appropriation sometime in FY 2002-03. Again, it is anticipated that this payment will be eligible for federal reimbursement sometime next fiscal year. The supplemental expenditure is anticipated to be about \$7.8 million.

Beginning July 1, 2002, the tax credit will be fully converted to an appropriation of which all four HMOs can take advantage. The \$73.50 represents approximately 4 percent of the average monthly capitation. Effective July 1, 2002, the rates will be increased by 4 percent for all players. Again, it is anticipated that this rate adjustment will be fully reimbursable by the federal government through Medicaid. It will cost \$20 million annually (\$18.3 million in FY 2002-03), somewhat more than the tax credit but will have a net cost that is less because of federal revenue.

Restructure Rates for MCOs Participating in HUSKY (In Millions)		
	<u>Fiscal 2002-03</u>	<u>Fiscal 2003-04</u>
Additional Appropriations	\$ (26.3)	\$ (20.6)
Additional FFP	20.2	10.3
Insurance Tax Collections Increase	15.6	16.2
Net Savings from Conversion	<u>\$ 9.5</u>	<u>\$ 5.9</u>

Because of the budgetary constraints, the 3 percent rate increase originally budgeted for July 1, 2002 will be pushed back to January 1, 2003, for a savings of \$6.9 million in FY 2002-03. For the six month period of the 3 percent increase, \$8.5 million is budgeted.

The adjusted budget also proposes that HMOs share more risk in the psychiatric reinsurance program that is part of HUSKY. These costs have increased significantly since the reinsurance program's inception in September 1998.

Currently, HMOs cover 100 percent of the cost for psychiatric treatment in the first 15 days, 25 percent for days 16 through 45, 10 percent for days 46 through 60, and nothing thereafter. The proposed change would have HMOs cover 100 percent of the cost in the first 30 days and 30 percent of the costs thereafter.

It is anticipated that this change will save the state \$3.2 million in FY 2002-03.

Hospital increases

During the last session, hospital reimbursements were reconfigured by reducing appropriations for uncompensated care in return for the suspension of the hospital sales tax. In addition, inpatient and outpatient Medicaid rate increases were granted at fairly significant levels.

Because there were still certain hospitals that lost overall reimbursement during the reconfiguration, monies from the FY 2000-01 budget were set aside to hold those hospitals harmless for the two fiscal years of the biennium and actually give them a bonus payment of roughly \$1 million each because of the uncertainty surrounding reimbursements beginning in FY 2003-04.

Because of the fiscal crisis, the Governor was forced to remove the bonus payments in the current fiscal year and sweep the entire hold harmless monies for next fiscal year. Those dollars will help mitigate the deficit this fiscal year. It is important to note that those hospitals (Hartford, St. Francis, and Stamford) will be held harmless for the current fiscal year.

In an effort to ensure continuity of reimbursement moving forward and to maximize federal revenue, the Governor is proposing to make additional monies available in next fiscal year's budget in the new urban DSH program. The appropriation would be doubled from a current level of \$15 million to \$30 million. This has the effect of holding Hartford Hospital (with an additional subsidy of \$500,000 for LifeStar, bringing it to \$1.5 million) and St. Francis Hospital harmless moving forward, and ensuring continued increases in reimbursement for the other hospitals in distressed municipalities. Yale-New Haven Hospital gains considerably from this scenario, which makes up in part for ongoing losses they suffered from an undercalculation of uncompensated care in the past.

Urban Disproportionate Share Payments FY 02 and FY 03			
	FY 02	FY 03	
	Urban DSH	Proposed Urban DSH	Increase
Bridgeport Hospital	\$2,144,296	\$3,706,804	\$1,562,508
Hartford Hospital	2,205,993	4,105,360	1,899,367
New Britain Gen. Hosp.	968,270	2,421,287	1,453,017
St. Francis Med Center	2,179,552	4,600,676	2,421,124
St. Mary's Hospital	789,474	1,541,238	751,764
St. Raphael's Hospital	1,398,892	2,748,426	1,349,534
St. Vincent's Med Center	1,090,405	2,439,717	1,349,312
Waterbury Hospital	793,251	2,158,655	1,365,404
Yale - New Haven Hospital	3,429,867	6,277,837	2,847,970
Total Urban DSH	\$15,000,000	\$30,000,000	\$15,000,000

Governor Rowland believes that the urban DSH program is the best program in which to infuse money at this time. The hospitals in this program are clearly carrying the biggest weight of uncompensated care and Medicaid caseloads.

Consistent with the original adopted budget, no new Medicaid rate increases are being offered in FY 2002-03.

Nursing home changes

The adjusted budget proposes several changes regarding nursing home reimbursement.

- **Maintain rate increase** -- The Governor's adjusted budget will continue to fund, on average, a 2 percent rate increase for nursing homes in FY 2002-03. Over \$22.3 million is being provided in new dollars for nursing homes. However, in order to preserve the COLA, it was necessary to delay the increase for one month (to August 2002), which is expected to save \$2.1 million next fiscal year.
- **Require Nursing Home Beds to be Licensed as both Medicare and Medicaid Beds** --The adjusted budget proposal intends to change the Medicare Distinct Parts option from current regulations and require all nursing homes to obtain dual licensing (Medicare and Medicaid) status. The dual licensing of those beds would allow the facility to bill Medicare for the first 100 days of stay upon return rather than billing Medicaid, which is the payer of last resort. Estimated savings are \$1.9 million.
- **Elimination of staffing fund** -- The adjusted budget proposes to eliminate the \$7 million in Medicaid funding that was earmarked to nursing homes effective January 1, 2003 for increased staffing ratios based on a study released last year by the Centers for Medicare and Medicaid Services (CMS). Increasing staffing is a noble goal. But given the budget climate, setting aside dollars for such enhancements is a misallocation of resources. Further, it is believed that the \$7 million is inadequate to address the issue in any meaningful way.

Currently, all nursing homes staff above the minimum levels as required in the Connecticut Public Health Code. Federal law does require that nursing facilities have a licensed nurse on duty 24 hours a day and a registered nurse on duty at least eight hours a day, seven days a week. The Connecticut Public Health Code establishes specific nurse and total direct care

staff per resident ratios. It remains difficult to assess the affect that increased staffing levels might have on patient care.

Provider rate increases

The following table shows the rate increases that certain medical providers will receive next fiscal year. In an earlier section, additional increases for home health and community providers were outlined.

Enhanced Medical Provider Rates	
	FY 03
Physicians	2.0%
Home Health	2.0%
Vision*	2.0%
Durable Medical Equipment*	2.0%
Other Practitioners	2.0%
Community Care	2.0%
Traumatic Brain Injury	1.5%
Personal Care Attendant	1.5%
Long Term Care	2.0%
Home Care - State Funded	2.0%
*Inflation-not a rate adjustment	

Of special note here are the increases for physicians and other practitioners. These providers were originally scheduled to receive a 2.7 percent rate increase in the current fiscal year and no increase in FY 2002-03. Because of the fiscal crisis, the Governor did not adjust those rates in the current fiscal year and is instead providing monies for a 2 percent rate increase in FY 2002-03. The 2 percent increases in FY 2002-03 means an add to the adjusted budget from estimated expenditures this fiscal year of \$1 million. All other rate increases remained the same.

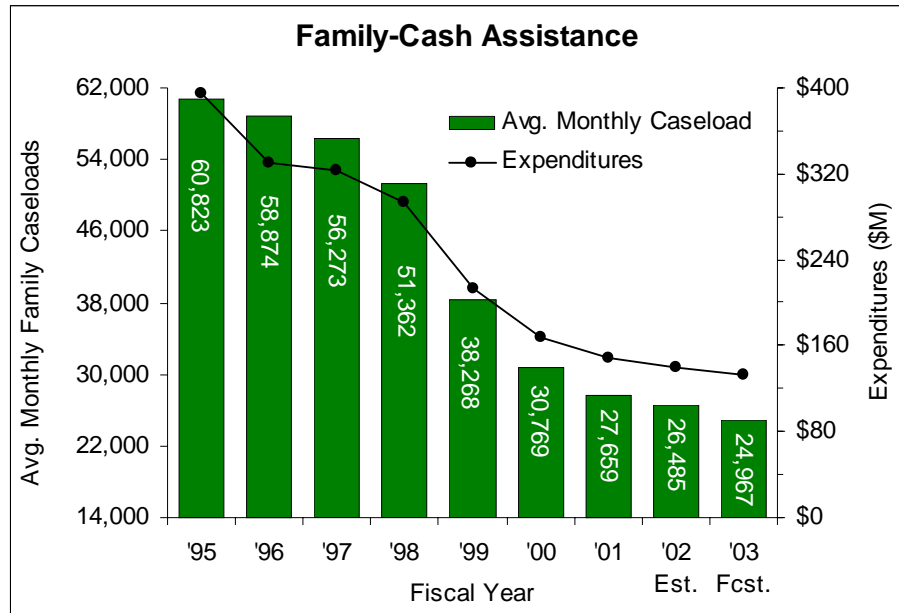
The adjusted budget, however, does eliminate the \$3.9 million provided by the legislature for rate relief to physicians that serve dually eligible clients. The

legislature intended to offset the affects of the capped crossover payments that limit Medicaid payments to certain providers, but given the fiscal climate, the Governor made the decision to defer any action in this area.

Maintaining Temporary Family Assistance

Governor Rowland’s welfare reform policies continue to confirm the fact that given the proper support, families on Temporary Family Assistance (TFA) are willing to enter and remain in the workforce.

When taking office, the Governor rightly focused on the number of people on welfare and developed programs to assist them in getting off the welfare rolls. The linchpins of his welfare reform plan were allowing individuals to earn up to the federal poverty level during their stay on the welfare rolls without losing any of their cash assistance payments, keeping Medicaid eligibility for at least two years after leaving welfare, and accessing child care subsidies until the family reached 75 percent of



statewide median income. In addition, the HUSKY Adult expansion and the creation of the new HUSKY B program provided even more access to health care after welfare.

The Governor is continuing to support employment by allowing TFA recipients to earn wages up to the federal poverty level while remaining on assistance. The Governor's budget also provides for the continuation of support by making health care and child care assistance available.

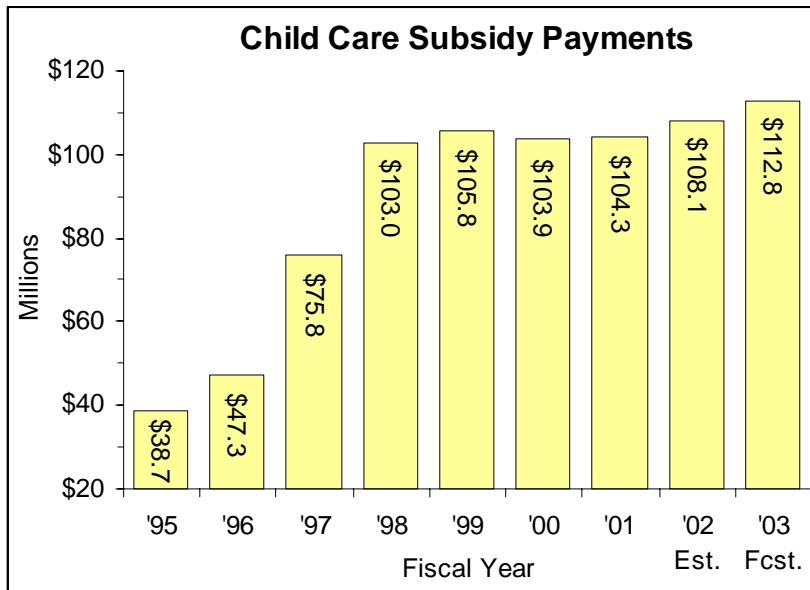
While the economy may be experiencing a slight downturn, the portion of the TFA caseload which is employed remains at historic levels. FY 2002-03 caseloads are anticipated to be at a monthly average of approximately 25,000, down from a monthly average of 30,769 in FY 1999-00. There are no recommended policy changes to the TFA program in the Governor's adjusted budget submittal. Because of the economic situation that resulted in higher TFA caseloads than originally projected, the adjusted budget reflects an add of about \$10 million for a caseload adjustment.

Further, for the past two years, the State received from the federal government a Temporary Assistance to Needy Families (TANF) High Performance Bonus. The federal Administration for Children and Families (ACF) awarded the bonuses equaling \$2.4 million in FY 1999-00 and \$2.6 million in FY 2000-01 for the state's success in job retention and wage gains experienced within the TFA program.

The receipt of these funds has allowed the state to fund innovative programs to deal with issues affecting low-income families. Initiatives funded with the high-performance bonus address issues such as transportation, fatherhood, family violence and teen pregnancy. The Department has submitted data to ACF with the hope of securing a high-performance bonus for a third year in a row.

Investing in child care

The Governor's adjusted budget continues to make child care subsidies available to those on Temporary Family Assistance (TFA), those transitioning off of TFA as well as those who may be at risk of having to seek TFA assistance. The adjusted budget provides almost \$113 million for child care subsidies.



Funding is included in the adjusted budget to support those non-TFA families who currently receive assistance through the Child Care Certificate (CCC) program. In adopting the FY 2001-02 budget, the legislature closed intake for new cases entering the CCC program effective June 30, 2002. The adjusted budget reflects this legislative directive.

The adjusted budget removes about \$7 million in supplemental federal child care dollars that do not appear to be forthcoming from Washington. In FY 2000-01 and FY 2001-02, the federal government increased allotments

of child care funds to various states. Connecticut received a total of \$14.6 million in increased allotments. A condition placed on the receipt of these funds from the federal Child Care Bureau of the Administration for Children and Families is that these funds must be appropriated by the state legislature.

At the time the FY 2001-02 appropriation was being finalized by the legislature, there was an expectation that an allotment of about \$7.4 million more in supplemental federal child care funds

would be received. It has, however, become clear that no such allotment will occur, therefore, there is no need to appropriate these funds.

Enhancing housing and homeless services

While the Governor was forced to rescind \$200,000 in new funding provided for shelters in FY 2001-02, those dollars have been fully restored in the adjusted FY 2002-03 budget and have been annualized to a total of \$400,000. These dollars will mean net new resources to help shelters provide services to the homeless during these trying economic times for many.

Similarly, funding for the Rental Assistance Program was reduced by over \$2 million in FY 2001-02 because current trends were less than appropriations. Recognizing the need to ensure access to quality affordable housing in the state, Governor Rowland is maintaining the adopted appropriation for FY 2002-03 and not continuing the FY 2001-02 rescission. He has instructed the Department of Social Services to move forward with issuing additional rental certificates to low income families this year in order to expend up to the appropriated levels in FY 2002-03.

In addition, in an effort to target resources to direct services rather than advocacy and support programs, the Governor's budget reallocates \$215,000 from the Anti-Hunger Programs account to shelter services. The Governor's budget also removes funding for the Security Deposit program since sufficient funds are available from other sources without the need to tap into general fund dollars.

Food stamps and other assistance for legal aliens

The adjusted budget continues support for the State-Funded Food Stamp Program, which provides the same benefits as the federally funded food stamp program to eligible non-citizens. This program was first proposed by the Governor and instituted by the legislature when the federal welfare reform law prohibited non-citizens from receiving any federal assistance. State-funded food stamp benefits are equal to the amount of the federal benefit they would have received under the eligibility rules in effect prior to 1996.

The budget adopted by the legislature for the biennium provided monies to serve individuals on the program who enroll by June 30, 2002. Legislation cuts off the program to new enrollees beginning July 1. For FY 2002-03, all individuals enrolled before June 30 will be served. In September 2001, there were an estimated 1,681 State-Funded Food Stamp cases.

Other language affecting non-citizen eligibility for other medical and public assistance was also addressed last legislative session. Intake for all of these programs will also be closed on June 30, 2002; cases enrolled in these programs by then will be served for all of FY 2002-03.

Utilize federal funds for the state appropriated fuel assistance program

The State Appropriated Fuel Assistance (SAFA) program provides heating assistance to households with an elderly or disabled member with income between 150 percent and 200 percent of the federal poverty level. Given the federal dollars available under the Low Income Home Energy Assistance Program (LIHEAP) block grant and the fact that LIHEAP rules allow for coverage of households with incomes up to 60 percent of the state median income, it is proposed that SAFA expenditures be charged to the federal LIHEAP account rather than to the General Fund.

Considering the substantial level of federal dollars that have been available to the state in the past few years, this change should have no impact on services. It is anticipated that there will be sufficient dollars in the federal block grant this winter, in conjunction with some carryforward dollars to the tune of \$2 million, to maintain service levels and benefits currently being offered. The transfer of the program to federal funds saves the General Fund about \$2.1 million.

Expanding dental access

Recognizing the need to significantly improve access to primary dental screening and treatment, Governor Rowland is endorsing the following in his adjusted FY 2002-03 budget. The initiatives stress the need to expand opportunities for collaboration and integration of public and private efforts aimed at expanding dental access.

Bonding for community dental providers -- In January, the Governor and the Department of Public Health released an RFP to solicit from existing or prospective community dental providers, including community health centers, local health departments and hospitals, proposals to expand, build and equip dental facilities. Of the \$2.5 million in bond funds available for FY 2001-02, \$2.3 million will go to grantees selected through the RFP process, while the other \$200,000 will be used to support the state dental pilot sites. In his FY 2002-03 adjusted budget, Governor Rowland is recommending \$1.5 million in bonding for use by existing or prospective dental community providers to purchase equipment.

Dental pilot sites -- Last fall, two state pilot sites began operation, one in West Haven and one in Newington. These pilots will increase dental access through the development of critical community systems of care for children covered by Medicaid, enlisting dentists in private practice, and providing outreach and case management services. The Governor is recommending that a third pilot start using federally qualified health centers (FQHCs). The pilot would allow FQHCs to contract with private dentists and allow them to be paid for the care provided in their own offices at the FQHC rate.

Training and recruitment -- The UConn Dental School is currently developing an application to the Robert Wood Johnson Foundation for a five year \$1.5 million grant to establish a community based clinical education program. They are planning to revise curricula and integrate community based practice experience into educational programs while increasing recruitment and retention of minority and low-income students.

Loan forgiveness -- A demonstration loan forgiveness grant program for dentists and dental hygienists will be established. Criteria for forgiveness would include part-time employment in community public health settings instead of full-time employment.

Targeting asthma

The Department of Public Health's efforts against the incidence of asthma is beginning to bear fruit. Funding in the amount of \$1.1 million in each year of the biennium is provided from the Tobacco and Health Trust Fund for asthma prevention and surveillance purposes.

- The Department is supporting two comprehensive community-based pediatric asthma management programs in New London and Groton for \$300,000.
- There are three Easy Breathing Community Programs in New Britain, Waterbury, and East Hartford/Manchester supported by \$500,000. An Easy Breathing Program in Hartford showed remarkable success in terms of medication compliance, medication appropriateness, asthma awareness among patients and pediatricians, and reducing trips to the emergency room.
- DPH has hired four staff to develop an asthma plan, tracking, early identification and pilot programs. \$15,000 is funding a Pilot surveillance project, \$60,000 a Healthy Families Program, \$100,000 for an early identification of children with asthma program, \$25,000 for early identification education campaign/materials and \$45,000 for St. Mary's Provider Education. Funds also support additional education and media materials, supplies and equipment and a behavioral risk factor surveillance system.

Activities and support for these initiatives, including some general fund dollars, totaled \$1.4 million in FY 2001-02. All of these programs will continue to be funded in FY 2002-03.

School based health centers

In FY 2001-02, there were 63 school based health centers funded by the Department of Public Health with \$5.9 million. Grants ranged anywhere from \$25,000 to \$150,000 per site, with the average grant at about \$100,000. Cities with programs include: Ansonia, Branford, Bridgeport, Danbury, East Hartford, Hamden, Hartford, Middletown, New Britain, New Haven, Groton, Madison, Norwich, New London, Norwalk, Stamford, Stratford, Waterbury, Windham and Region 11. \$75,000 is added in FY 2002-03 to provide full funding for the center in New Britain.

Pharmacy changes

The state budget continues to be plagued with spiraling costs in the area of prescription drugs. It is undeniable that pharmaceuticals play an important role in maintaining the quality of citizens' lives and reducing costs in other areas of medical care. But the fact is that drug expenditures are increasing at an alarming rate.

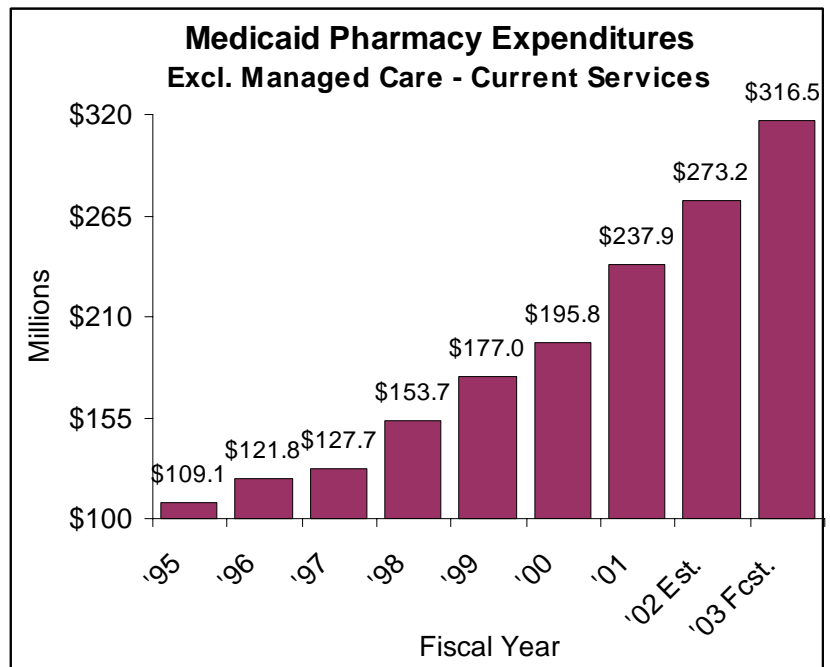
Estimated Pharmacy Costs (In Millions)			
	FY 01 Actual	FY 02 Estimated	FY 03 Estimated
Department of Social Services	\$ 342.6	\$ 395.9	\$ 446.3
Department of Mental Retardation	0.4	0.4	0.5
Department of Mental Health and Addiction Services	6.0	6.4	6.7
Department of Correction	12.0	13.6	15.3
Department of Children and Families	0.4	0.5	0.5
Workers' Compensation	0.9	0.9	1.0
State Employees	121.1	144.1	171.4
Teachers' Retirement	7.8	10.9	13.2
Grand Total	\$ 491.2	\$ 572.7	\$ 654.9

Indeed, there is clear evidence that drug costs throughout state government are crowding out other spending. In the current fiscal year, the state will spend an estimated \$572.7 million on drug coverage across all state agencies. That will increase to \$654.9 million in FY 2002-03, a 14.3 percent increase. Medicaid pharmacy costs have increased from \$109.1 million in FY 1994-

95 to \$316.5 million forecasted in FY 2002-03 before savings proposed by the Governor. DSS costs will increase by over 15 percent in FY 2002-03.

Nationally, studies peg the increases in drug costs at even more staggering levels. The Segal Co., a benefits consulting firm, predicts that costs could increase 19.4 percent in 2002. They attribute a good share of the costs to direct-to-consumer advertising and requests for certain drugs by doctors.

Indeed, a report from the National Institute for Health Care Management found that nearly half of the \$20.8 billion increase in drug spending in 2000 was tied to increased sales of heavily advertised drugs. Interestingly, the report found that the spending increase was more a result of increased prescriptions for the 50-most advertised drugs



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rather than from higher prices for those drugs. Not coincidentally, those drugs are among the top ones taken by Connecticut clients.

While Connecticut receives rebates in its Medicaid, SAGA and ConnPACE programs, it has little ability to obtain deeper discounts from drug manufacturers. Several years ago, Connecticut attempted to get access to the federal supply schedule for Medicaid drugs, which would have meant substantially reduced prices, but was denied.

Thus, Connecticut is between a rock and a hard place. It has little control over the vast majority of its costs because of federal rules governing cost. And yet outside forces continually drive up prices and the number and kind of prescriptions written. Further, the state's ability to continually expand drug assistance programs will be limited unless deeper discounts or cost-cutting measures can be achieved to escape what appears to be 20 percent increases driven by caseload, utilization, and price.

The state has enacted some cost-cutting measures. It will begin a mandatory generic substitution program and limited prior authorization program in the early part of next fiscal year. It has implemented a nursing home drug return program, which is struggling.

In an effort to save as much as \$19.7 million, the adjusted budget proposes the following changes to the Medicaid, ConnPACE and SAGA pharmacy programs:

- Reducing the dispensing fee for chain, independent and long-term care pharmacy providers to \$3.50. These providers are currently paid a \$4.10 dispensing fee for all prescriptions filled. Reducing the dispensing fee to \$3.50 would result in annual savings of \$4.4 million, with \$3.7 million in savings in FY 2002-03 because of a September 1, 2002 start date.
- Reducing the average wholesale price (AWP) reimbursement paid to pharmacy providers to minus 13.5 percent. The current reimbursement is minus 12 percent. Changing this formula to AWP minus 13.5 percent would lower the reimbursement paid to pharmacy providers and is expected to result in annual savings of \$6.7 million. Savings in FY 2002-03 would be \$5.6 million because of a September 1, 2002 start date. Based on the federal data, pharmacies can still make a handsome profit on sales to public assistance recipients.

Recent reports from the Office of Inspector General for the federal Department of Health and Human Services have found that pharmacies tend to purchase their brand name drugs for 22 percent below the average wholesale price, with generics purchased at 66 percent below AWP. This is based on surveys in a number of states.

- Implementing maximum allowable cost (MAC) for generic drugs. MAC programs encourage the purchase of the most cost-effective generic products by establishing a ceiling price for selected generic drugs. The implementation of MAC is expected to result in annual savings of \$5 million. FY 2002-03 savings would be \$4.2 million because of a September 1, 2002 start date. This change is tied to the Inspector General's finding that generics are purchased for 66 percent below "suggested" AWP.
- Strengthening existing law that requires nursing homes to participate in the drug return program. Despite the department's efforts, less than 23 percent of the state's nursing homes participate in the drug return program. Although savings of \$4.2 million had been assumed in the appropriation for this fiscal year, less than \$500,000 in savings is expected.

To encourage participation in the program and to ensure the budgeted savings are met, it is proposed that the department establish financial sanctions for those homes not participating in the drug return program. In order to help assure compliance, it is

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recommended that nursing homes be given adequate notice over a six-month period prior to instituting financial sanctions. Sanctions could amount to \$3.7 million in FY 2002-03.

- Implementing a voluntary mail order prescription program to fill maintenance only drugs under the ConnPACE and the Medicaid programs.

A mail order program takes advantage of deep discounts provided by the vendor for both generic and brand name medications. In addition, a mail order program provides convenience for clients by providing an opportunity to obtain a 90-day supply of maintenance medications delivered to their mailbox.

Estimated Pharmacy Savings		
	Adj. Budget	Annualized
	FY 03	FY 04
Nursing Home Drug Return	500,000	500,000
Generic Substitution (ASO)	2,900,000	2,900,000
Prior Authorization	2,500,000	2,500,000
Factor 8 Controls	400,000	400,000
Total (Within Current Services)	6,300,000	6,300,000
<i>New Initiatives:</i>		
Dispensing Fee Change	3,700,000	4,400,000
AWP from -12% to -13.5%	5,600,000	6,700,000
Maximum Allowable Cost	4,200,000	5,000,000
Voluntary Mail Order	2,500,000	14,200,000
Mandatory Nursing Home Drug Return	3,700,000	3,700,000
Total (New Initiatives)	19,700,000	34,000,000
Grand Total - Savings	\$26,000,000	\$40,300,000

The Department will also explore decreasing the co-payment for a 90-day supply for the ConnPACE mail order program (currently, a 90 day supply could require up to three co-payments of \$12 each for a total cost of \$36). The program would become effective on January 1, 2003, with a phase in. The program could save \$2.5 million in FY 2002-03, with annualized savings of as much as \$14.2 million.

As an alternative to the above reductions, the Governor is also proposing that the department be given the flexibility to explore the possibility of contracting out pharmacy services. DSS would contract with a private entity to manage and assume responsibility for a comprehensive prescription drug benefit that meets all Medicaid requirements. In order to ensure savings, the department would negotiate a risk contract arrangement. Several New England States have bonded together to do just that.

Restructure medical services under SAGA

Last session, the legislature assumed savings of \$5 million in the FY 2002-03 budget in the State Administered General Assistance program through implementation of primary care case management (PCCM) with the state's community health centers or federally qualified health centers (FQHCs).

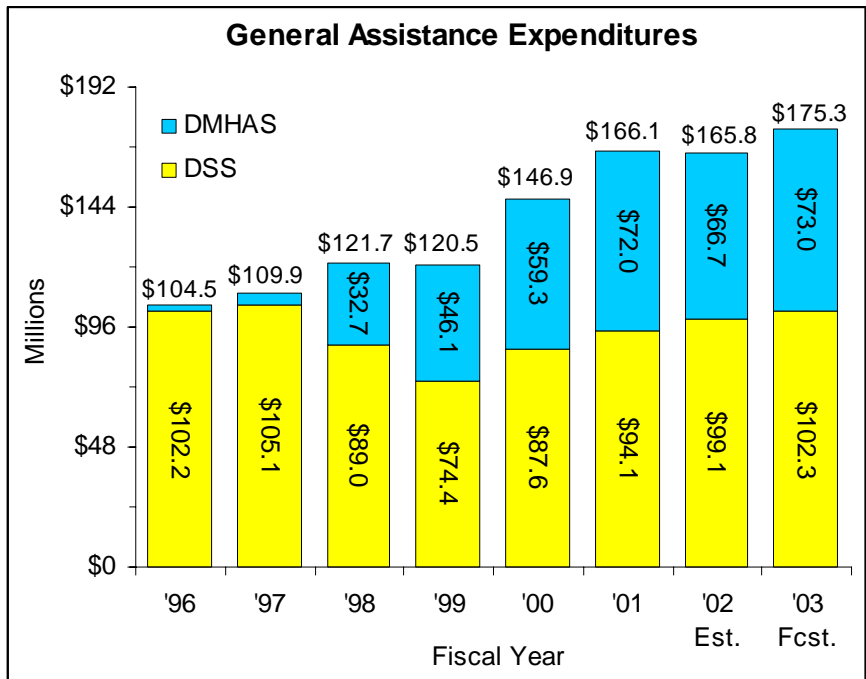
The administration is currently in discussions with the community health centers and an HMO, which may provide administrative, technology and other management supports. It is unlikely that a PCCM system would reap such savings, especially in the short term. The administration, however, believes that such savings might be achieved by moving to a flat-grant or risk-based approach and to have the FQHCs supply prescription drugs to SAGA recipients using the federal supply schedule. The FQHCs are pursuing this part of the savings plan in concert with the University of Connecticut Health Center. Under federal law, the FQHCs are able to utilize that deep-discount schedule on behalf of their recipients.

The original savings amount of \$5 million, less \$500,000 in startup costs, continues to be assumed in the adjusted budget. Further, the adjusted budget calls for ending coverage in SAGA for the

following services: home health, vision, other practitioner and durable medical equipment. Those medical services determined to be most critical to the health of this population, however, will be retained (e.g., hospital care, physician services, pharmacy benefits, clinic services and dental services). Savings of \$4.1 million are reflected in the budget for this option.

An add of about \$7.1 million was made to the budget as well to reflect higher costs and caseloads.

One technical note: When the SAGA behavioral health initiative was established several years ago, the treatment of pharmacy expenditures was not clearly defined. As DMHAS was uncertain as to its level of responsibility for pharmacy services, funds were given to DMHAS, with DSS retaining responsibility for payment of services.



It was expected that DMHAS would evaluate the issue to determine whether they were going to take responsibility for behavioral health related pharmacy payments and services. Since DSS continues to be responsible for pharmacy payments, it is proposed that these funds (estimated at \$3.5 million) be transferred back to DSS' SAGA program. This change will simplify the administration of the pharmacy benefits under SAGA and will not impact the services currently being provided.

Transfer of assets restrictions

The cost for long-term care is expected to exceed \$1.15 billion in FY 2002-03. In order to help control these costs and continue to serve the elderly in need of institutional care, Governor Rowland sought and received legislative approval to implement policies designed to prevent and discourage the improper transfer of assets.

DSS is expected to submit a federal waiver sometime in February seeking approval from the Centers for Medicare and Medicaid Services (CMS) to alter Connecticut's transfer of asset policy. The change that is sought in the waiver would permit DSS to impose stricter limits on improper transfers of assets if such a transfer occurred, by starting any penalty period to be imposed at the point of application for Medicaid rather than at the date that the transfer occurred. This initiative is expected to save \$10 million in FY 2002-03. The state also implemented a series of other asset transfer reforms that will continue to save state taxpayer dollars, including probate compliance with state guidelines, trust accessibility, ensuring in-kind services are not over valued, mandating minimum rate of return calculations on assets, and limitations on transfer of assets post-Medicaid eligibility.

Prior to submitting the waiver to CMS, DSS sought and has received considerable comment on this proposal and on the issue of asset transfers in general. A particular concern expressed dealt with the lack of authority DSS now has, under current regulation, to pursue third parties who receive assets from an institutionalized individual. Under current regulation, providers of long-term care services are forced to pursue the transferee for payment when an institutionalized individual does not meet DSS' undue hardship criteria and is denied Medicaid eligibility due to an improper transfer of

assets. While not directly part of the DSS waiver submission, a legislative proposal is being offered to allow DSS to pursue the third parties who receive assets.

Data warehousing

In an effort to assure and prevent inappropriate Medicaid payments, the State of Connecticut is seeking to develop a state-of-the-art fraud and abuse detection system that includes the ability to access timely data under a Data Warehouse/Decision Support system. The system, when fully operational, will provide the ability to maintain and access massive amounts of Medicaid data, currently not readily available to the department, for reporting and utilization review. Implementing this system is expected to generate savings of \$10 million in the next fiscal year.

Breast and cervical cancer coverage

DSS recently received federal approval to extend Medicaid benefits to women who have been screened under the Centers for Disease Control's Cervical Cancer Early Detection Program under Title XV of the Public Health Service Act. While the program is still young, as of December 31, 2001, a total of 37 women received services at a cost of \$162,000. The department expects to serve over 130 women by the end of FY 2002-03 at a cost of just over \$1 million. That amount is budgeted in the Governor's adjusted plan.

Eliminate personal care assistance programs and transfer clients to PCA waiver

There are two personal care assistance (PCA) programs currently funded under the Services for Persons with Disabilities account in the Department of Social Services, serving less than ten individuals. Under this proposal, these programs would be discontinued and eligible clients would instead receive services through the PCA waiver under Medicaid. The consolidation of PCA services was originally envisioned when the waiver was developed and makes sense both administratively and programmatically. In addition, it will allow the state to receive 50 percent federal reimbursement on the services provided and ensure that resources are targeted to those who do not have significant assets. Savings of about \$600,000 is anticipated.

Restructure elderly health screening

Currently, DSS funds four Elderly Health Screening Programs with the primary goal of providing preventative care to low-income elderly. Given that Medicare covers full health screenings, three of the programs are providing more specialized screenings, case coordination, health education and intervention services to low-income elderly. In order to maximize the use of state dollars and to ensure that low-income and minority clients are targeted, it is proposed that these three programs be retained and that funding for the fourth program, which continues to provide full health screenings without pursuing Medicare reimbursement, be eliminated. The reduction saves \$314,000.

Provide additional funds based on current expenditure and caseload trends

The adjusted budget includes an additional \$65.7 million for updated caseload and expenditure trends. This figure is net of lapses anticipated in several accounts. By far, the largest shortfall is in the Medicaid program, where expenditures next fiscal year are expected to exceed appropriated levels by \$50.4 million. Shortfalls are also anticipated in Other Expenses (\$2.7 million), State Food Stamp Supplement (\$770,000), HUSKY Program (\$3.6 million), Temporary Assistance to Families – TANF (\$9.6 million), Connecticut Home Care Program (\$1.8 million), Child Care – TANF/CCDBG (\$4.8 million), and State Administered General Assistance (\$7.1 million)

A portion of these shortfalls are offset by lapses in Information Technology Services, Aid to the Aged, Blind and Disabled, ConnPACE and Transitional Rental Assistance.

Continue FY 2001-02 savings program

For this fiscal year, the department's allotments for various programs were reduced by up to 5 percent. It is also expected that the department will lapse additional dollars in certain accounts. The budget assumes the continuation of the majority of the allotment rescissions and/or additional lapses into the next fiscal year. In addition, the appropriation reduction of \$1 million in Personal Services, which occurred during the November Special Session, is continued. Specifically, the following programs were reduced: Personal Services, HUSKY Outreach and Data Collection, Anti-Hunger Programs, Genetic Tests in Paternity Actions, Day Care Projects, Commission on Aging, Services to the Elderly, Safety Net Services, Transportation for Employment Independence Program, Transitional Rental Assistance, Services for Persons with Disabilities, Human Resource Development, Child Day Care, Independent Living Centers, School Readiness, Community Services and Teen Pregnancy Prevention.

Reduce funding for various programs

As part of DSS' review of agency priorities and contracts, the department proposed a 10 percent reduction to certain programs in order to achieve additional savings. The majority of these reductions have been incorporated in the Governor's adjusted budget. Specifically, funding for the following programs has been reduced: Human Resource Development - Hispanic Programs, Services to the Elderly, Services for Persons with Disabilities, Human Resource Development, Independent Living Centers and Teen Pregnancy Prevention. With the exception of the Human Resource Development account, these reductions, when combined with the continuation of the FY 2001-02 rescission savings program, equal 10 percent.

Enhance in-house research, data analysis and revenue maximization capability

In an effort to stem the growth of increasing expenditures for outside consulting services, the Department of Social Services is authorized to develop an in-house data collection and analysis capability. Through the creation of this unit as well as a unit to address revenue maximization efforts, the Department will lessen its dependence on outside professional assistance and, therefore, reduce expenditures under Other Expenses. It is intended that these units dedicated to data analysis and revenue maximization efforts will enhance the Department's ability to develop creative approaches to current and future problems. Staff will need to be hired to establish this in-house expertise, but it is anticipated that the drop in outside consulting services will result in a net savings to the state of \$1.2 million.

Revenue maximization efforts

Over the past year, the Rowland administration has made a top priority of revenue maximization efforts. Numerous state plan amendments and waivers have been submitted or are in the process of being submitted to the federal government. In the current fiscal year and next, tens of millions of dollars could be gained in new federal revenue above and beyond normal growth in federal revenue because of caseload and inflation growth.

The table below shows some of the major areas of revenue maximization by the state.

Of special note are the state plan amendments submitted to receive uncompensated care reimbursement from the federal government of \$3.5 million on the \$7 million grant given the Connecticut Children's Medical Center each year, as well as up to \$3 million each year for acute care services to certain prisoners at John Dempsey Hospital. As well, the state's increase in the urban DSH program will net an additional \$7.5 million annually.

It would appear that these three initiatives should be approved by the federal government and net ongoing uncompensated care monies of \$14 million annually. This makes up a good portion of the

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federal reimbursement given up last fiscal year because of the suspension of the hospital sales tax and the lowering of the general uncompensated care pool.

Federal Revenue Maximization Efforts		
	<u>FY 03</u>	<u>FY 04</u>
Pursue DSH for Connecticut Children's Medical Center	3,500,000	3,500,000
Incorporate the cost of Social Workers in DSS' standard Random Moment Sampling for Cost Allocation purposes	2,000,000	2,000,000
Capture enhanced federal reimbursement at 90% for family planning services paid to Managed Care Organizations serving Medicaid clients	1,000,000	1,000,000
Pursue DSH for qualifying public hospitals that serve low-income individuals beginning in SFY 04, ending the last day of the next SFY	0	6,500,000
Pursue DSH for qualifying individuals, in a penal institution, who use the services of an acute care inpatient hospital	3,000,000	3,000,000
Implement the rehabilitation initiative for Private Non-Medical Institutions (PNMI) beginning July 1, 2002 (\$9 million ongoing; \$10 million retroactive)	19,000,000	9,000,000
Increase Urban DSH grant by \$15 million to \$30 million	7,500,000	7,500,000
Continue negotiations with CMS on Medicare denials related to Home Health services	46,000,000	15,000,000
Potential one-time revenue from conversion of HUSKY Tax Credit	10,900,000	0
Ongoing revenue from conversion of HUSKY Tax Credit	9,300,000	10,300,000
ConnPACE Medicaid waiver (minimum amount)	32,000,000	32,000,000
Pursue federal approval that would allow individuals eligible for the Medicaid Home Care Program for Elders to retain their income equal to 200% FPL and maintain their eligibility	1,500,000	1,500,000
Pursue various DSH initiatives that required surplus funding	8,400,000	0
Implement a state-of-the-art fraud detection system at DSS (\$10 million program savings annually, development costs of \$23.6 million over 4 years at 82% FFP)	8,500,000 *	5,300,000 *
Purse Medicaid reimbursement on education costs at UCONN Health Center/John Dempsey Hospital	11,500,000	12,000,000
* Reflects reimbursement only		

The administration continues to undertake actuarial work on the potential for a rehabilitation option for adults with mental illness.

Renewing the public health laboratory

The Department of Public Health and state health lab employees exhibited their great skills recently during the anthrax scare in Connecticut. Governor Rowland believes it is time for these employees to have a state-of-the-art facility. The Governor has directed the Department of Public Health and the University of Connecticut Health Center to work together to explore a coordinated effort to develop a state-of-the-art laboratory, potentially on the campus of the health center. By granting the Department of Public Health the necessary land on the campus of the UConn Health Center in Farmington, the efforts of both organizations can be greatly enhanced. This initiative could complement the 21st Century UCONN plan outlined earlier.

Co-location of academic and public health laboratories will support shared expertise for practice and research and an increased capacity to support public health and health care programs. This year, the Governor is renewing his commitment to the development of a new Public Health laboratory with the previously authorized \$10 million in bond funds as an initial investment. It is anticipated that additional bond funds will be necessary in FY 2003-04 and the Governor is encouraging the two entities to develop a plan expeditiously.

Board of Education and Services for the Blind

Governor Rowland’s adjusted budget includes a no-cost modification in the account structure for the four Children’s Services accounts in order to resolve long-standing conflicts with the Office of the State Comptroller’s Accounting Manual. None of the grants are impacted financially by this change.

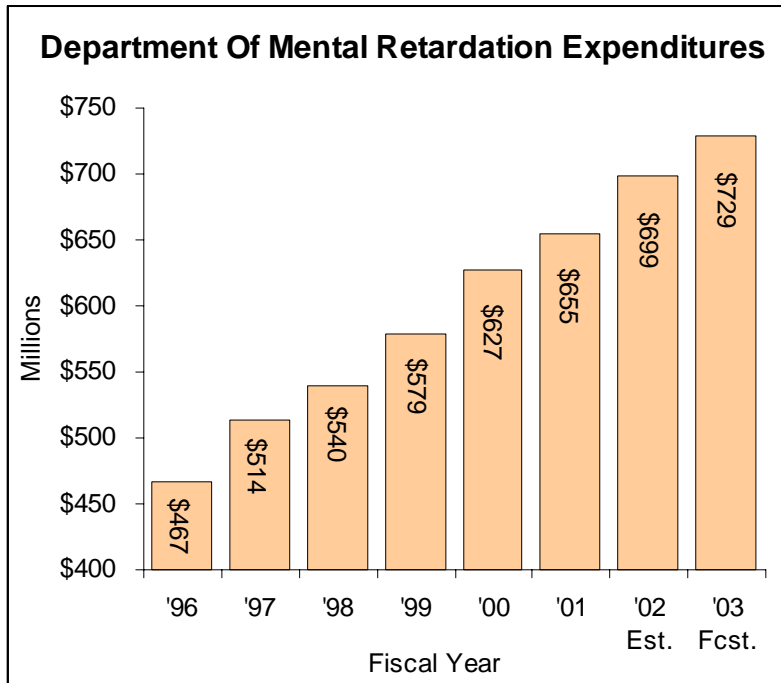
Restructure the Office of Health Care Access

In order to plan and manage the health care industry more efficiently, the Governor is proposing that the Office of Health Care Access be eliminated and that its planning, data collection, and financial oversight functions be transferred to the Department of Public Health. The elimination of hospital budget review has greatly reduced the regulatory burden on this agency. As more and more health care is rendered through managed care organizations, regulation and protection of consumer interests have increasingly fallen under the purview of the Insurance Department and the Office of the Managed Care Ombudsman. This reorganization will result in administrative economies and more efficient regulation of health care facilities within the Department of Public Health.

Initiatives in the Department of Mental Retardation

The adjusted budget for the Department of Mental Retardation increases expenditures over the estimated in the current fiscal year by \$30.6 million, or 4.4 percent.

The adjusted FY 2002-03 DMR budget preserves \$7.8 million in new funding to serve an estimated 83 children and youth aging out of the Department of Children and Families and Local Education Authorities, an estimated 23 individuals placed under DMR’s responsibility from the correctional, mental health and judicial systems and an estimated 204 high school graduates.



This addition of resources for those in the care and custody of the department allows the concentration of existing funding to serve those on the waiting list who are placed out of their home or receive individualized support while still at home.

There is immense frustration about the lack of funding and progress in liquidating the DMR waiting list. But if not for these dollars put in the DMR budget annually, the number of persons waiting for services would have been much greater. In fact, when adjusted for the Early Intervention transfer from the education department, DMR is serving about 2,750 more clients than it did seven years ago.

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There is an increase of \$2.25 million (including an additional adjustment of \$1.25 million) in the Early Intervention (Birth to 3) Program in order to reach a caseload level that reflects the current 0-3 population and the incidence rate of developmental delay for that age group. The caseload receiving direct services, currently around 4,650 when the state-operated Early Connections sector is included, is expected to level off or perhaps decline in FY 2002-03.

In addition to funding age-outs and cooperative placements in an effort to preserve funds for those on the waiting list, funds to place those from the Southbury Training School have been secured. There is \$500,000 in new funding recommended to place eight people (for an average of six months) who might ask to leave for the community in FY 2002-03. At Southbury, personal choice is honored so those who want to leave can avail themselves of placement assistance.

On average, over the past several years, 15 people have moved each year. Because of the preparation involved, midway into FY 2001-02, only 2 of the 13 who have expressed a desire to move have been placed and the wishes of one person desiring to return from the community have been accommodated. This slowed rate warrants the adjustment to eight individuals that is reflected in the FY 2002-03 mid-term budget. Southbury's population has declined steadily to the current census of 631 from 846 in FY 1994-95 because of community placements and deaths of clients.

The adjusted budget assumes a savings in personal services of \$700,000.

DMHAS changes

Many of DMHAS' initiatives are described in the mental health section that follows. Other changes in the adjusted budget follow. It should be noted that the Governor's adjusted budget calls for an increase in the general fund appropriation of about \$26 million over estimated expenses this fiscal year, or 6.2 percent.

Fund Corrective Plan of Action at Whiting -- \$1,779,380 in finding was added in the adjusted budget to fund 13 additional staff, training in revised protocols for usage of seclusion and restraint, additional use of one-on-ones (or higher) to manage patients with difficult behaviors, and minor equipment and security enhancements required to keep CVH HCFA certified. These changes began to be implemented in the current fiscal year and federal officials are satisfied with the quick action taken by the department after concerns had been raised.

Annualize Lease Costs for APT Foundation -- \$660,000 in funds has been added in the adjusted budget to support the costs of the lease APT was able to secure to move their program off the campus of Fairfield Hills Hospital. APT Foundation provides substance abuse services for DMHAS and Judicial.

Annualize funding for TBI Community Services -- Funds in the amount of \$500,000 will support the annualization of FY 2001-02 placements of individuals with Traumatic Brain Injury into the community and support additional planned placements in FY 2002-03. Several of the clients are not TBI/ABI Medicaid waiver eligible and many of them require supplemented living expenses beyond what DSS will cover.

Fund Ongoing Expenses Related to new Client Information System -- \$500,000 is provided in the adjusted budget to support development of a new client information system funded this fiscal year and partially next year through a surplus appropriation of \$1.4 mil. \$500,000 is being recommended to reflect ongoing system licensing and support costs that were not included in the surplus funding.

Continue FY 2001-02 savings plan -- The adjusted budget continues \$6.8 million in reductions in FY 2001-02, including the following reductions:

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- \$1 million reduction in personal services,
- \$860,000 in Managed Service System
- \$175,000 in Regional Action Councils (RACs)
- \$3,500,000 in General Assistance Managed Care
- \$500,000 in Grants for Substance Abuse Services
- \$47,048 in Governor's Partnership
- \$750,000 in Grants for Mental Health Services

It is anticipated that the reduction in DMHAS General Assistance and grants for mental health and substance abuse services can be accomplished through the continuation of efficiencies this fiscal year and without measurable impact on clients.

Reconfigure Agency Management Structure -- \$1.35 million is anticipated to be saved in the adjusted budget as DMHAS restructures its management structure to reduce costs by 10 percent. The position count is being reduced by 14 to reflect that some former management functions will be continued through work by bargaining level employees.

Restructure State-Operated Residential Services -- \$1.1 million in funding is being removed in FY 2002-03 with the expectation that DMHAS will re-deploy 47 positions to existing vacancies and utilize private nonprofits for delivery of residential services currently being provided by state staff through Western Connecticut Mental Health Center in the Waterbury area, Southeast Mental Health Authority in Southeastern Connecticut and at River Valley Services covering the Middletown area.

Reduce Contract with Connecticut Mental Health Center – A reduction of \$1 million is included in the adjusted budget in anticipation that DMHAS will renegotiate its contract with Yale University to support operations at the Connecticut Mental Health Center. It is not anticipated that this will have any impact on clinical services, but should mean decreased state support for research activities at the center.

Restructure Inpatient Services in Hartford – A \$900,000 reduction is included in the adjusted budget to restructure services in the Hartford area. The savings can be accomplished through the relocation of substance abuse inpatient services currently located at the Blue Hills facility across the street to the Capitol Region Mental Health Center and administrative staff and related functions out of Capitol Region building to the grounds of Cedarcrest Hospital in Newington.

This plan would create savings through a reduction in the required number of administrative and support staff necessary to support inpatient operations at two separate facilities and in other expenses due to the actual closing of the Blue Hills structure. It would also allow a \$3.8 million capital bonding offset because of the renovations that would not be required to bring the Blue Hills facility up to code before the next JCAHO survey.

Reflect Delay in PILOTS Initiative – A one time lapse of \$75,000 will be possible in the funding necessary for wrap around services for individuals living in supportive housing projects because of the anticipated delay in project openings.

Support for Nautchaug Hospital – A reduction of \$250,000 was taken to defund the intermediate treatment team operating out of Nautchaug Hospital as most of the clients they serve are Medicare and Medicaid eligible and not the traditional DHMAS target population of unentitled, uncompensated or GA eligible individuals.

Investing in Mental Health and Alternatives to Incarceration

Governor Rowland proposed major new funding last session to increase the state's commitment to innovative behavioral health programs. He also made clear his interest in ensuring that individuals arrested for non-violent offenses receive treatment so they can go on to lead healthy and productive lives. Such programs help reduce recidivism.

The initiatives that Governor Rowland proposed last year are indeed taking fruit. In collaboration with the legislature, a new Community Mental Health Strategy Board was set up whose mission it is to work with the Departments of Mental Health and Addiction Services and Children and Families to develop community-based programs for those with mental illness.

A major new commitment to Supportive Housing has been funded and new units are coming on line.

The crisis in the children's mental health system nationwide is being addressed here in Connecticut with the creation of a community-based mental health system for kids and new specialized treatment beds to make sure children do not languish in emergency rooms or acute care hospital beds.

All of these programs are devoted to the proposition that those with mental illness deserve the best health care possible and, with proper treatment, can excel in life. For too long the Connecticut mental health system has concentrated on acute care episodes rather than prevention and community-based solutions.

While some cutbacks have been necessary in many areas, numerous new dollars are still being spent to build a first-class treatment system for those with behavioral health disorders.

Connecticut Community KidCare

Two years ago, Governor Rowland established the Blue Ribbon Commission on Mental Health. An important continuing initiative in the budget is the Connecticut Community KidCare program that includes significant community program enhancements, and some additional specialized residential beds for children with severe behavioral health needs.

The first phase of KidCare services was launched a few weeks ago in the New Haven region and is being rolled out over the year throughout the state of Connecticut. Services being developed in KidCare include Emergency Mobile Psychiatric Services, additional care coordinators in local systems of care, expanded day treatment programs, as well as in-home and respite services.

The goal of this program is simple: children with behavioral health needs are best served in their own communities.

About \$7.3 million is expected to be spent in the current fiscal year on these community-based alternatives. In FY 2002-03, Governor Rowland's adjusted budget calls for spending \$14.8 million, an increase of \$7.5 million.

KidCare specialized residential beds

While Connecticut Community KidCare emphasizes providing needed services to children in the community, in some cases an intensive residential placement is appropriate. This budget includes continued funding for intensive, specialized residential beds for severely emotionally disturbed youth who do require such a placement.

These residential beds have been introduced to ensure that children are quickly discharged from acute care settings. Over time, it is hoped that the providers of these beds will forge close

relationships with community providers so that once children are stabilized in this setting they can return to their communities.

The presence of these beds offer the opportunity over time to bring children back from out of state placements and also ensure that children do not have to leave the state for specialized treatment. Funding in the amount of \$9.8 million for this ongoing initiative is included in the adjusted budget.

Increasing the primary mental health grant

As outlined earlier, funding for the Primary Mental Health Program (PMHP) in the Department of Education is being expanded by \$50,000. The program serves a large number of children through early detection and prevention of school adjustment problems. The increase in the current fiscal year of about \$200,000 and the new addition of \$50,000, next fiscal year takes the grant to about \$558,000 and will mean hundreds of more students will be served in this preventive program with existing children getting more comprehensive service.

DCF reallocation from residential to community services

A reduction of the need for residential services is anticipated with the continued implementation of KidCare. Residential stays will be shortened and more youth will receive community services in their own homes, foster homes, or other group care.

The adjusted budget moves \$6.4 million in funds from the residential account in DCF and increases Therapeutic Foster Care beds by \$3.2 million and sets aside \$3.2 million to purchase flexible services in the community. The advent of these programs, with a major emphasis on mental health and prevention, will mean a drop of \$9.4 million in residential expenditures. Thus the agency is able to take a net \$3 million savings in their budget in FY 2002-03.

In addition, approximately \$900,000 in new monies is being made available to the agency to aid distressed DCF providers or to enhance mental health services by providers.

ChildServ

ChildServ is a collaborative effort of private health-care entities specializing in training pediatric health care providers to detect children with developmental or behavioral concerns.

In FY 2001-02, \$225,000 was included by the Governor to begin expanding ChildServ statewide. The adjusted budget calls for \$475,000 cover the cost of a statewide program. About \$200,000 was reduced.

Adult mental health innovation

Because of the looming deficit, it became necessary for Governor Rowland to recommend an overall \$9.2 million in reductions to the Community Mental Health Strategic Investment Fund community initiatives sub account monies set aside from the FY 2000-01 surplus. At the same time, it must be remembered that the new community board will have about \$12.3 million in surplus monies to utilize as well as \$3.3 million transferred in the current fiscal year for community initiatives. (An additional \$1.4 million has been transferred to the sub account but actually will be used for supportive housing services.)

At the September 28 meeting of the Community Mental Health Strategy Board, \$5.3 million in funding was approved for expenditure to provide wrap around services for individuals in supportive housing programs, to purchase acute care services for individuals waiting in emergency rooms for placement, to fund about 40 individualized placements from the hospital into the community, to establish an additional intensive residential program with 15 beds to facilitate transfer out of inpatient settings, to

increase the capacity and range of outpatient services, and to expand assertive community treatment (ACT) teams, which provide case management services to difficult clients living in the community. Future year funding for these initiatives will be supported through the \$13 million included in the general fund in FY 2002-03 for supportive housing and community enhancements.

At the January 10 meeting of the strategy board, members voted to spend an additional \$22.5 million on initiatives through October 2003. Thirty four percent of the allocation was for children's initiatives. Adult initiatives included: \$5.7 million for intensive supportive community services with housing options for persons with serious mental illness/addiction problems who are leaving institutional settings or are homeless or at risk of homelessness; \$2.2 million to enhance ACT Teams to enable individuals with serious mental illness to remain in the community; \$2.5 million to expand mobile crisis and community based respite services; \$1.3 million to enhance young adult services; and \$1.1 million to implement a recovery-oriented approach to treatment.

Children's initiatives included: \$1.4 million to establish a new level of outpatient evaluations for children and youth presented to the Superior Court freeing up unnecessary bed days at Riverview Hospital; \$1.1 million to expand in-home treatment models and make them available statewide; \$1.5 million for flexible funding for non-DCF children at risk of out-of-home placement; \$1.4 million for direct mental health consultation services for early child care and education programs statewide; and \$1.4 million to create behavioral health support teams to provide early intervention for children in grades K through 12 in 4 public school districts. Additional funds were voted to be set aside in an "emerging issues" fund to support future initiatives such as access to outpatient services or to address the inadequacy of outpatient rates.

Governor Rowland supports the strategic outline and concepts the board has put together. While insufficient funding is available to carry out all of these programs because of the proposed reductions to the fund, the Governor believes that significant improvements in the lives of children and adults with mental illness can be achieved by implementing the programs in a slightly scaled back fashion.

Between the community mental health board's \$15.6 million and the \$13 million in new funding available in DMHAS' general fund, numerous community mental health enhancements can be funded.

In addition, approximately \$800,000 are new monies is being made available to the agency to aid distressed DMHAS providers or to enhance mental health services by providers.

Supportive housing

The Supportive Housing Pilots Initiative is a collaborative program designed to create affordable housing and support services for people affected by mental illness or chemical dependency who are facing homelessness. The goal of the initiative is to create 650 supportive housing units within Connecticut over a four-year period.

Supportive housing combines decent, safe, affordable apartments with individualized health, support and employment services. It is a proven, effective means of reintegrating families and individuals with chronic health challenges into the community by addressing their basic needs for housing and on-going support. Research has demonstrated that supportive housing significantly decreases its residents' usage of expensive inpatient and emergency room care.

The primary target population for the Pilots Initiative is individuals and families where the head of household:

- Has severe and prolonged mental illness and/or chronic chemical dependency.
- Is homeless or at risk of homelessness.

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- Has an income at or below 50 percent of the area median income at the time of entering the housing¹.

Permanent housing developed under the program may also serve individuals and families without these special needs in order to create integrated housing settings. Once all the housing units are on line, an estimated 570 persons with special needs will be served by the program at any one time.

The 650 dwelling units in the Pilots Initiative will be created in two ways:

- Through leasing of close to 350 scattered, existing apartments (close to 200 of which are now on line).
- Through the development of 300 new housing units through acquisition, new construction or rehabilitation.

These housing efforts are being coordinated by over 40 community-based nonprofit organizations throughout the state. Most of the housing created through the Pilots Initiative will be permanent, meaning that residents will have their own apartments, enter into leases, and pay rent, as in other rental housing. Some of the housing will take the form of transitional living programs, where residents will focus on developing certain skills in advance of moving to permanent housing. In both cases, residents will be able to access support services -- such as the help of a case manager and connections to community treatment and employment services -- designed to address their individual needs.

The core of the support services funded by DMHAS under the Pilots initiative is case management, which provides a single point of accountability for coordination of services that are designed to offer the tenant support in living independently and establishing and maintaining residential stability. The preferred staff to client ratio is one full time case manager for every 7-15 clients. Other support services that may be funded through the program include outreach and engagement (to bring persons with special needs into the housing); social rehabilitation, peer mentoring and peer support; training of clients in independent living skills; employment readiness and job retention supports; recreation services; conflict mediation; advocacy in accessing legal services; and client support costs such as apartment furnishings.

DMHAS selected organizations to receive support service funding under the Pilots program in May 2000 through a request for qualifications (RFQ) process. DMHAS is contracting with providers selected under this RFQ in amounts based on a minimum of \$9,000 per annum per client. Once all eligible housing units are in place, DMHAS expects to provide service funding for approximately 570 clients.

The DMHAS service funding is the primary State funding resource for supportive housing units created through the leasing of existing apartments. DMHAS and local nonprofit organizations are using the DMHAS funding commitment as match to apply for federal rent subsidies through various programs such as HUD's Continuum of Care programs. In 2000 and 2001, State service funding leveraged over \$11 million in HUD rent subsidies for Pilots housing units.

Several resources have been combined to finance the development of 300 new housing units through the Pilots Initiative. These resources are intended to work in tandem:

- Annual service funding through DMHAS.
- A total of \$23 million in either bond authorizations or remaining FY 2000-01 surplus funds, both of which will be administered by CHFA. CHFA will use the funds to make grants, loans, or deferred loans to projects or to capitalize project operating reserves.

¹ In 2001, 50% of median income for a family of four ranged from a low of \$28,650 in the Norwich/New London area, to a high of \$54,900 in the Stamford/Norwalk area.

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- Federal Section 8 project-based rental assistance through the Department of Social Services, supplemented by subsidies available through HUD Continuum of Care programs.
- \$1 million in predevelopment funding from philanthropic sources through the Corporation for Supportive Housing.
- Special access to low interest loans, federal low income housing tax credits, and State housing tax credits through CHFA.

Projects to be funded will be selected through a request for proposals (RFP) to be issued prior to July 1, 2002, which will be issued jointly by CHFA (for capital funding) and DSS (for Section 8 rent subsidies).

Because of the budding deficit in the current fiscal year, the Governor had to sweep over \$5 million from the surplus dollars being devoted to this initiative. But he has indicated that \$20 million in bonding will be utilized for development activities under this project, along with \$3 million remaining in FY 2000-01 surplus funds. In addition, \$1.4 million was transferred from the general fund this year and \$3 million in the FY 2002-03 adjusted budget will provide individualized health support and employment services.

Jail diversion initiatives

Numerous jail diversion initiatives are being funded both this fiscal year and next. Two notable examples include:

- The adjusted budget continues to carry \$3.3 million in funding to sustain the recent expansion of the Jail Diversion Program throughout the court system. The Jail Diversion Program seeks to identify persons with behavioral health disorders that are involved in the court system for potential diversion to treatment programs instead of incarceration.
- The adjusted budget continues to include \$5 million for the creation of Community Justice Centers, secure settings emphasizing treatment for mental health and substance abuse and rehabilitation.

Four centers are being planned to:

- Reduce prison and jail populations.
- Divert low risk offenders at the pre-trial stage.
- Provide for pre-release treatment services for offenders being released from prison.
- Be an alternative for technical violations of probation or parole.
- Aid in community supervision by the Department of Correction.
- To help coordinate community services for mental health, addiction, housing and employment.

The first Community Justice Center is anticipated to open this fall, in a building adjacent to the York Complex in Niantic. This first CJC is for female offenders and will focus on gender specific programming needs.

Other sites for the Community Justice Centers will be in Hartford, Bridgeport and New Haven. These centers will be phased in over the two years.

FY 2001-02 diversion rescissions mitigated

Given the current year fiscal crisis, unfortunately Governor Rowland had to reduce certain alternatives to incarceration accounts through rescissions. But given the importance of such efforts, the Governor's adjusted budget proposes to restore many of the rescissions.

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In the current fiscal year almost \$866,000 was rescinded from the DOC's Community Residential Services account. The adjusted budget restores about \$640,000 of the rescission, leaving a cut of just \$226,000.

In the current fiscal year almost \$100,000 was rescinded from the Board of Parole's Community Non-Residential Account. This rescission is being fully restored in the adjusted budget.

In the current fiscal year, \$1 million was rescinded from the Alternative Incarceration Program. \$400,000 is being added back in the adjusted budget, leaving a cut of just \$600,000.

Total cuts in FY 2001-02 amounted to almost \$2 million. The adjusted budget mitigates that to approximately \$825,000.

Investing in Mental Health (In Millions)			
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>Surplus & Bonding</u>
<u>Department of Mental Health and Addiction Services</u>			
Community Service Enhancements	\$3.3	\$10.0	\$ 12.3
Supportive Housing	1.4	3.0	23.0
Supplemental Private Provider Monies to Enhance Services and/or for Distressed Provider Agencies		0.8	
Fund Corrective Plan of Action at Whiting		1.8	
Increased Services and Operational Costs		2.8	
COLAs for Private Providers	7.2	10.7	
Annualization of Physician Increases	2.8	2.9	
Jail Diversion	3.3	3.3	
Total - DMHAS	<u>\$18.0</u>	<u>\$35.3</u>	<u>\$35.3</u>
<u>Department of Education</u>			
Primary Mental Health Program	\$0.2	\$0.3	
<u>Department of Children and Families</u>			
KidCare	\$17.1	\$24.6	
Supplemental Private Provider Monies to Enhance Services and/or for Distressed Provider Agencies		0.9	
Therapeutic Foster Care		3.2	
Flexible Community Services		3.3	
Total - DCF	<u>\$17.1</u>	<u>\$32.0</u>	
<u>Children's Trust Fund</u>			
ChildServ	\$0.2	\$0.5	
<u>Department of Correction</u>			
Community Justice Center		5.0	
Total - DOC	<u>\$0.0</u>	<u>\$5.0</u>	
<u>Various</u>			
Federal Fund Pick-ups - Drug Session	\$1.2	\$1.2	
Grand Total	<u><u>\$36.7</u></u>	<u><u>\$74.3</u></u>	<u><u>\$35.3</u></u>

As can be seen from the chart above, the new investments in mental health and jail diversion are unprecedented. A total of \$146.4 in new dollars is being spent over the biennium.

Investments in Child Protection and Welfare

Since the tragic death of Baby Emily in 1995, Governor Rowland has set his mind to ensuring that the child protection system in this state does all it can to ensure the safety and health of each one of our children. Over the past eight years, significant progress has been made toward improving the accountability of the child protection system, improving the juvenile justice system, and building a community mental health system.

Governor Rowland’s efforts have certainly meant the investment of a huge amount of resources. The Department of Children and Families budget has leaped from \$256.3 million in FY 1994-95 (the budget that the Governor inherited) to a proposed adjusted sum of \$579.6 million, an increase of \$323.3 million or 126 percent.

Spending next fiscal year from the estimated level this year will be up \$29.4 million, or 5.3 percent.

Adoptions on the rise

The number of adoptions of DCF children continues to be a success story. A sustained focus on finding permanent homes for children in need resulted in dramatic improvements. The department also established a new type of permanent home enabling family members to adopt children without the termination of parental rights. Since 1996, the total number of permanent homes grew 445 percent.

In FY 1999-00, 602 adoptions were completed. In FY 2000-01 permanent homes were found for 795 children through the departments adoption and subsidized guardianship programs. In the first quarter of this fiscal year permanent homes were found for 189 children, which puts the department ahead of pace to meet the goal of 700 permanent homes in FY 2001-02.

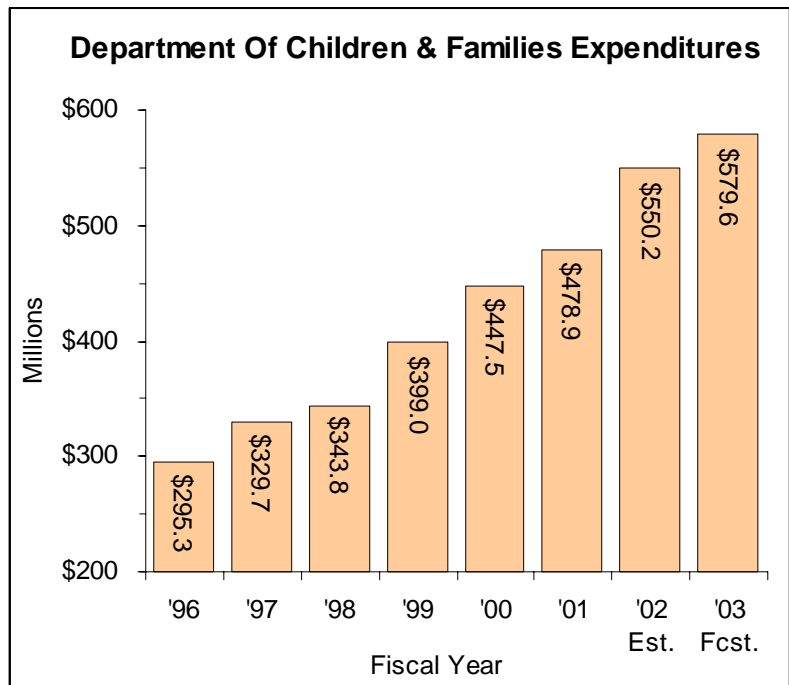
An exit plan

The Juan F. Consent Decree was signed in January 1991. The decree protects a class that includes any abused or neglected child in the state of Connecticut or any child at risk of abuse or neglect. The federal district court has appointed a court monitor to oversee DCF’s implementation of the decree.

Today, it is estimated that over \$440 million of DCF’s current year \$550 million budget is controlled by the consent decree. Effectively, the consent decree has no provision for ending.

The state continues to be very desirous of an exit plan from the consent decree. The budget numbers show the Governor’s clear commitment to reforming the child protection system.

The state has worked in good faith with the court monitor over the years, fulfilling spending mandates at the same time it has taken the initiative and added even more dollars in areas not covered by the consent decree that have positively impacted children’s lives.



For the first time in many years, there are hopeful signals coming from the court, the monitor and some of the plaintiffs. DCF officials are in active negotiations with the monitor to craft a document that extinguishes areas of the consent decree with which the agency is compliant and is simply spending precious resources to report to the court; removes areas of the consent decree with are obsolete; and devises an outcome-based approach to exiting the decree in a few short years. The idea would be to allow the department to police itself with much more modest oversight.

The Governor is extremely supportive of the negotiation process occurring right now. He is committed to finding the reasonable resources to invest more dollars in the agency's information-technology system to ensure data is readily available and can be analyzed quickly. He is also committed to hiring quality assurance staff to self-monitor and assure the court the state is living up to any outcomes tied to exiting the decree.

As a show of good faith to the negotiation process, the adjusted budget adds significant resources to improve the DCF LINK system, which is critical to DCF in a myriad of ways, from the garnering of federal funds to the management of client information and data management and analysis. The management of client information is vital to DCF as it develops accountability measures. The accountability measures (such as time in residential facilities versus community settings) will be crucial in the state's bid to exit the consent decree. A total of \$4 million has been provided for these important improvements. An additional amount of \$728,000 is included in the capital budget for hardware.

Juvenile justice reforms

The new state of the art Connecticut Juvenile Training School (CJTS) opened this fiscal year. The emphasis of the new facility is education and building vocational skills. Early planning for the juvenile's reintegration to the community is also a fundamental goal at CJTS.

DCF is radically changing the way it handles its chronic, high-risk juvenile offenders. Successful community reintegration requires intensive aftercare. This budget transfers half the funds from the closing of Haddam Hills residential program -- \$1.5 million to build community services for juvenile justice clients. Services included in this continuum of care include:

- Additional Outreach Tracking and Reunification slots to monitor youths after release.
- More job programs to reinforce the skills being learned in CJTS.
- Planning to put the youths into productive employment.
- Expanding mentoring to work with and guide youths through transition.
- Multi-Systemic Therapy (MST) to provide in home therapy for those youths and their families in need of additional substance abuse treatment.

These programs will form the base of the network necessary to ensure a path to a productive adulthood for these youths.

Residential programs for females

With the new male facility up and running, the agency continues to work toward the best program or facility for females. Already authorized is \$20 million in capital funding to pay for a private or public option for the females. In the meantime, negotiations continue to allow the females to remain at the old Long Lane School for the foreseeable future.

Economic and Workforce Development

It is difficult to discuss silver linings in these economic times, but Connecticut workers and businesses need to be thankful that the economy is fundamentally different than it was ten years ago. That is in no small measure because of the pro-business, pro-growth agenda of Governor Rowland.

Admittedly, the state economy had to diversify after the collapse of the defense, banking and insurance industries back in the early 1990s. But that the state has so many small business starts involved in cutting edge industry points to more than just sheer luck.

Indeed, since Governor Rowland came to office, he has championed the reduction of the corporate tax by one-third, the migration of S-corporations to the individual income tax, single-factor apportionment for manufacturers, and numerous research and development tax credits, including the ability for small entrepreneurial firms to exchange their credits upfront for 65 cents on the dollar so as to infuse their companies with capital.

Connecticut has been cited as one of the best “New Economy” states on more than one occasion and rightfully so.

The cluster initiative

One reason for the state’s high standing in terms of cutting edge industries is the Governor’s early endorsement of collaborative efforts by government and private businesses to cultivate clusters of the future. The fundamental objective of the industry cluster initiative is to sharply increase the ability of Connecticut’s businesses and citizens, as well as its educational and government institutions, to compete on a global basis as we begin the 21st century.

Since its inception three years ago, the initiative has instituted a long-term strategy to promote world-class innovation, productivity gains, and quality job generation. The success of the cluster initiative has gained national recognition for Connecticut and the Department of Economic and Community Development. In addition to scoring higher marks on many of the national economic development ratings, Harvard Business School Professor Michael E. Porter is presently preparing a Case Study on Connecticut’s industry cluster effort, to be taught this Spring and distributed world wide.

The rapidly growing BioScience and Information Technology clusters have elevated Connecticut’s position as a location in which companies in these sectors can prosper. R&D expenditures in the State exceed \$3 billion, providing high quality, high paying jobs, and ensuring Connecticut’s position as one of the creators of the highest number of patents in the nation. Three manufacturing clusters that include hundreds of smaller firms throughout the State (Aerospace Components, Metals and Plastics) have aggressively introduced sophisticated Lean Manufacturing techniques resulting in a 25 percent increase in productivity -- allowing them to compete more effectively with factories throughout the world and ultimately save the jobs of hundreds of our workers.

The cluster initiative brought about the Connecticut Inner City Business Strategy, a unique market-driven strategy focused on increasing the income, wealth and job opportunities for inner city residents. Over 1,000 students from inner city schools are being taught entrepreneurship -- and Inc. Magazine cited six of Connecticut’s inner city companies as being among the fastest growing in the nation.

Finally, Economic Foundation Advisory Boards have been established dealing with cross-cutting issues that affect all the clusters, with business leaders joining their public sector counterparts and providing valuable input on critical issues such as transportation, workforce development and information technology.

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General and surplus funds supporting the cluster initiative will be used to continue to build the momentum that has begun. The "Hot Spot" marketing campaign has been designed to utilize a broad-based strategy incorporating public relations, advertising and special events to increase awareness of CT as a technology "hot spot". A BioScience Office will be established in DECD to further develop the state's bioscience industry and new clusters such as the Insurance and Agriculture clusters will be activated.

About \$1.4 million was made available to DECD from the FY 2000-01 surplus. In FY 2001-02, clusters received \$1.3 million and will receive the same amount in the next fiscal year. Access to bond funds for the certain cluster-related projects is also included in Governor Rowland's adjusted budget.

CETC workforce development

The Connecticut Employment and Training Commission (CETC) Workforce account within the Office of Workforce Competitiveness (OWC) funds various initiatives, including pilot programs devoted to special populations and specific occupations as well as training programs for ironworkers, displaced homemakers and youth.

The CETC Workforce funding is reduced by \$262,048 in the Governor's adjusted budget. The FY 2002-03 appropriation of \$3,967,952 will be sufficient to meet the needs of the various programs funded within this account. The OWC is also authorized to carryforward available FY 2001-02 funds for use in the next fiscal year.

Jobs funnel project

The Governor's adjusted budget provides \$1,000,000 in funds for the Jobs Funnel Initiative on an ongoing basis. The initiative was funded out of the FY 2000-01 surplus this fiscal year, but next year's monies were used to mitigate the deficit this fiscal year.

This funding will support efforts to place Hartford and New Haven residents into construction jobs. To date a total of 494 residents have successfully completed the training courses and were placed on jobs sites. Participants receive training for a future in 14 different construction jobs, including ironwork, plumbing, carpentry, electrical work, and supervisory positions.

In addition to the placements, hundreds more have received training and education, including English as a Second Language, or to obtain their GED. At least 202 Hartford residents have entered basic skills remediation, involving GED completion and remedial math. Another 229 have entered pre-apprenticeship training.

The Hartford Funnel is a partnership involving the State of Connecticut and City of Hartford, the Capital Region Workforce Board, the Growth Council, the Hartford Foundation for Giving and Connecticut Light & Power. All of these entities have combined to invest more than \$1.7 million in actual dollars into the program plus an estimated \$90,000 in in-kind contributions.

The New Haven Funnel is collaboration between the State, the Greater New Haven Workforce Investment Board, the City of New Haven, Empower New Haven and the Greater New Haven Building and Trades Council. These entities have invested \$600,000 in actual dollars and in-kind contributions to support the initiative, which was started in December 2000.

School to Work

Governor Rowland is maintaining the \$1 million remaining for this initiative in the FY 2000-01 surplus. The School to Work initiative is also referred to as the "Connecticut Career Choices" (CCC) initiative. This project was designed by the Office of Workforce Competitiveness in collaboration with the

Governor's Mentoring Partnership, the Connecticut Academy for Science and Engineering, the Connecticut Council of Independent Colleges, the State Departments of Education and Higher Education, and local agencies and school districts.

School to Work is intended to build on the five-year federal School-to-Career effort. This program is an important component in the state's strategy for solving an immediate and critical problem: the shortage of technologically skilled workers. That shortage stifles the ability of Connecticut businesses to remain competitive and grow in the global economy.

Addressing the occupational shortages will require a pipeline of skilled workers. School to Work will link the educational and career preparation component of the pipeline with other components of the state's information technology workforce strategy. It is intended to guide young people into emerging and competitive careers, provide them with the critical skills and allow them to successfully participate in the state's new economy.

Jobs access transportation

One of the projects the Transportation Strategy Board (TSB) has funded the Jobs Access Transportation program. Developed gradually over the past four years, the statewide access to jobs program has grown to a \$6.5 million annual program of services funded jointly by the Department of Social Services (DSS) and the Department of Transportation through a Federal Transit Administration (FTA) grant.

Services provided through this program range from extensions of service hours or service areas on existing bus services around the state, to customized services to worksites outside the normal bus service area or at hours beyond the service day. Also included are special brokerage services for trip planning, taxi rides for times when public vehicles are not cost-effective, transportation to interviews, training and childcare, etc.

Transportation services funded by this program are now providing about 1.8 million rides annually. In an average month, job access transportation is providing service to more than 10,000 individuals. Many of these people would not be riding transit or working were it not for the additional services added as a result of the job access program.

DOL funding

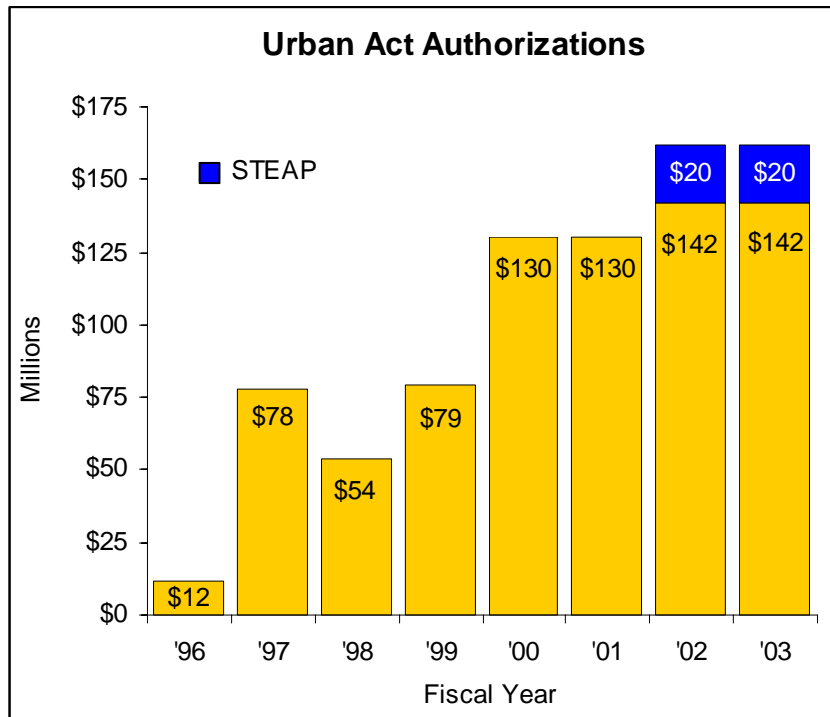
Except for minor reductions, the adopted budget amounts in the Department of Labor are also included in the Governor's adjusted budget. \$23.7 million will be available through the Workforce Investment Act, with \$15.4 million available for Jobs First Employment Services. \$1.8 million will be available for vocational manpower training, with \$732,000 appropriated for Summer Youth Employment.

Capital bonding contributing to economic development

The Governor's bond package has many significant economic development initiatives:

- \$142 million is already authorized for urban development projects
- \$20 million is authorized for the Small Town Economic Assistance Program
- \$30 million is authorized for the Manufacturing Assistance Act.
- \$10 million is authorized for biotechnology and high technology laboratories.
- In the biennium, special economic development acts were passed for New Haven, New London, and Norwalk.
- The new 21st Century UCONN and the 5-year renewal of the capital programs for CSU and the CTCs will positively impact linkages between business and higher education.

- Bond funds are included to continue school wiring and building the Connecticut Education Network.



Ending the Gridlock: The Transportation Strategy Board

The Transportation Strategy Board (TSB) was created by the Governor and General Assembly during the 2001 session. Since then, it has been organized and has prepared an initial strategic plan that identifies five basic transportation goals and a set of objectives to meet those goals.

The board is in the process of allocating the \$43.3 million in project monies available through FY 2000-01 surplus (\$16.2 million) and bonding authority (\$27 million). During the November Special Session, \$12 million of the bonding authority was approved by the Legislature. The Governor is recommending another \$15 million in TSB bonding in his adjusted budget to replace FY 2000-01 surplus dollars that will be used to mitigate the current year deficit.

Transportation Strategy Board			
	<u>Bonding</u>	<u>Reductions</u>	<u>Available Resources</u>
Governor's Proposed Budget			
Transportation Strategy Board - from FY 2000-01 Surplus	\$0		\$ 50,000,000
Adopted Budget			
Transportation Strategy Board - from FY 2000-01 Surplus	\$0		\$ 50,000,000
Pro-ration Due to Lower FY 2000-01 Surplus		(\$2,955,736)	\$ 47,044,264
Reductions in SA 01-1 of November Special Session		(\$15,000,000)	\$ 32,044,264
Bond Authorizations in SA 01-1, NSS	\$12,000,000		\$ 44,044,264
Further Reductions Proposed By Governor		(\$15,764,264)	\$ 28,280,000
Proposed Additional Bond Authorizations	\$15,000,000		\$ 43,280,000
Total Available Resources for TSB			<u>\$ 43,280,000</u>

Initial allocations have been made to:

- Test direct rail service from the Shoreline East Area to lower Fairfield County.
- Fund gaps in the reverse commute Jobs Access Program, as described earlier in the Workforce Development section.
- Study the creation of commuter rail service along the New Haven-Hartford-Springfield corridor.
- Expand interregional, feeder and express bus services.
- Design a new station and expand rail maintenance facilities for the New Haven rail line.
- Identify improvements needed to initiate feeder barge services from New York Harbor to Connecticut ports.
- Improve marketing of the "Deduct-A-Ride" program.

Over the next several months, the TSB will concentrate on developing details to its initial strategy, identifying the funding needed to implement an effective long-term strategy, and researching potential financing sources for future improvements.

The key goal of this entire strategy is to assure that Connecticut's future includes a safe and efficient transportation system that strongly supports both its economic vitality and quality of life.

It should be noted as well that beyond the \$43 million in surplus and special TSB bond authorizations, the Governor's adjusted budget continues to include \$196 million for various transportation improvements as outlined in the transportation infrastructure financing plan.

The \$196 million in state bond dollars will leverage an estimated \$489 million in federal dollars.

Ensuring Public Safety***Enhancing disaster preparedness***

In the wake of the September 11 tragedy, Governor Rowland has focused on assessing Connecticut's immediate needs and planning future preparedness. Based on the work of a multi-agency task force, significant gaps in key areas of public safety, behavioral health, public health and law enforcement have been identified.

In his adjusted budget, the Governor has included a series of initiatives aimed at responding to the terrorist attacks and closing the gaps identified. Initiatives he is backing include:

- Legislation to extend tuition waivers at Connecticut public colleges and universities for relatives of victims of the September 11 tragedy.
- Legislation to exempt the income of the victims of the tragedy from the Connecticut income tax for the 2001 tax year.
- \$500,000 in additional funds for 9 positions at the Department of Public Health to provide additional capacity in the areas of surveillance support, environmental health activities, response to non-biological incidents and in the public health laboratory.
- \$35,000 to augment available federal funding to finance the start-up costs of a Connecticut-based Disaster Medical Response Team.
- \$250,000 to establish a State Disaster Contingency Fund to enhance the state's ability to prepare for and recover from a disaster.
- \$500,000 to support training needs and preparedness activities to ensure a uniform response to any and all incidents.
- \$100,000 to the Office of Emergency Management to augment state and local anti-terrorism and security activities.
- \$600,000 from the Byrne grant to achieve interoperable communication between state and local law enforcement agencies.
- An additional \$3.0 million in bond funds for security improvements at state buildings. \$8 million has already been authorized and allocated.
- \$3.5 million in bond funds for DEP's aerial pictometry imaging to augment the state's emergency preparedness and homeland security needs and a Multi-Hazard CRISIS Management system to assist in damage assessment, planned response and crisis logistics.
- Legislation to enhance public safety including: (1) instituting penalties for the possession or release of weapons of mass destruction; (2) criminalizing the act of providing material support to terrorists; (3) allowing electronic intelligence legally gathered during investigations of terrorism to be admissible in state courts; (4) requiring background checks for flight school students and making it a Class A misdemeanor for lying or using false identification to obtain pilot training; (5) amending the racketeering laws to include terrorism; (6) requiring state regulation of money transmitters; (7) making the introduction of a contaminant into a public water supply or interfering with the operation of a public water system with harmful intent to a Class A felony; (8) expanding grand jury duties to the investigation of terrorist activities and (9) strengthening consumer protection laws and penalties in the area of price gouging.

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The Governor believes these proposals go a long way toward meeting the new demands that have been placed on government since the September 11 tragedy.

Improving public safety through a world-class criminal justice IT system

Governor Rowland’s biennial budget provides significant capital dollars to expand the scope of the Offender Based Tracking System/Criminal Justice Information System overhaul that is underway.

The current project has sought to streamline the IT system by routing federal and state criminal justice data from many different information systems into a central repository so that law enforcement personnel can more effectively and efficiently track offenders and so that critical public safety information is available to police officers in the field instantaneously. All available federal grant funding for criminal justice information systems is being channeled into projects in support of this initiative.

The major criminal justice IT project is the establishment of an Offender Based Tracking System (OBTS); the OBTS is an interagency repository of criminal data, involving the criminal justice information system operations among 15 legacy systems, among 8 criminal justice agencies, in 2 branches of state government that incorporates the responsibilities of each agency. The OBTS will contain, in one system, offender data including: names/identifying data, criminal histories, court data, dispositions, restraining/protective orders, incarceration status, probation information, and parole status; build upon and utilize existing state agency systems and data; provide access to complete, timely, and accurate criminal history records; generate uniform crime reports for FBI or state statistical or administrative purposes; and set the stage for future enhancements. The baseline system is to be operational in the Fall 2002, with the full design completed in the Fall 2003. The Criminal Justice Information System Governing Board, established in 1999 and comprised of user

and supporting agencies, provides OBTS oversight and policy development.

Criminal Justice Information System Bond Authorizations and Recommendations (In Millions)			
		<u>Authorized</u>	<u>Allocated</u>
<u>Authorized - Previous</u>		\$ 25.9	\$ 18.4
<u>FY 2001-02 Authorized</u>			
AFIS	8.0		
OBTS	3.0		
Mobile Data, CJIS	<u>1.5</u>	12.5	0
<u>FY 2002-03 Authorized</u>			
(COLLECT SYSTEM)	1.5		
OBTS	1.5		
State's Attorney/OBTS	<u>0.6</u>	<u>3.6</u>	<u>0</u>
TOTAL		<u>\$ 42.0</u>	<u>\$ 18.4</u>

As part of the OBTS initiative, the state has established a Statewide Mobile Data Communications System. This system gives officers in the field instantaneous critical information including, criminal history, driver and vehicle information, and photo images of offenders when available; it provides automated incident and accident reporting capability. This system is currently serving some 72 municipal police agencies throughout the state, with over 1,200 Mobile Data Terminals (MDT's) in police vehicles. The State is still committed to help facilitate the installation of this

system to all of the approximately 90 local police agencies. Currently, eight additional agencies are considering participation.

Governor Rowland has decided to place further projects under the umbrella of OBTS/CJIS, which would essentially modernize the entire criminal justice IT system. The additional projects include modernizing the current COLLECT management system (at an estimated \$1.5 million), upgrading the state's fingerprint system and its transmission capabilities (at an estimated \$8 million), enhancing

online booking, accessing the national instant check system for firearms, and integrating a number of separate registry systems, including the sexual offender, traffic stop, racial profiling, and warrant management systems.

Connecticut will be the first state in the country to integrate executive and judicial branch criminal justice agencies and systems and create and maintain a new centralized data repository. The new system will permit and facilitate the exchange of critical offender and case information among all criminal justice agencies.

Connecticut has taken a leadership role in the use of technology in the criminal justice arena. Through the continued support and vision of projects like the OBTS, we will maintain the public confidence and the integrity of the criminal justice system.

That the OBTS/CJIS system is coming down the home stretch now helps make our efforts to ensure our state's security that much easier in wake of the terrorist attacks.

DUI and other safeguards

The National Highway Traffic Safety Administration (NHTSA) is mandating that all states to go this new lower standard of .08 Blood Alcohol Content (BAC) or lose federal funding in the future. As of today, 29 states have complied with this .08 BAC standard, in addition to Washington, D.C. and Puerto Rico.

Connecticut has the ability to initiate legislation in this area and receive approximately \$1.4 million in federal incentive funds if the .08 standard is approved and signed into law before September 30, 2002. If Connecticut were to fail to enact legislation either this session or in the next one, there is a potential to lose some \$9.8 million in FY 2003-04 and \$19.6 million in FY 2004-05 in federal funds.

In addition, NHTSA has stressed the need to increase the penalties for repeat DUI offenders and to have a model open container law. Since Connecticut has failed to meet the new NHTSA standards for repeat DUI offenders and open containers, there has been a mandatory transfer of federal grant funding from Preliminary Engineering, Rights-of-Way or Construction Federal Highway funds into the Highway Safety Program or the Hazard Elimination Program. The longer we fail to enact the necessary legislation, the less flexibility we have with such funding down the road.

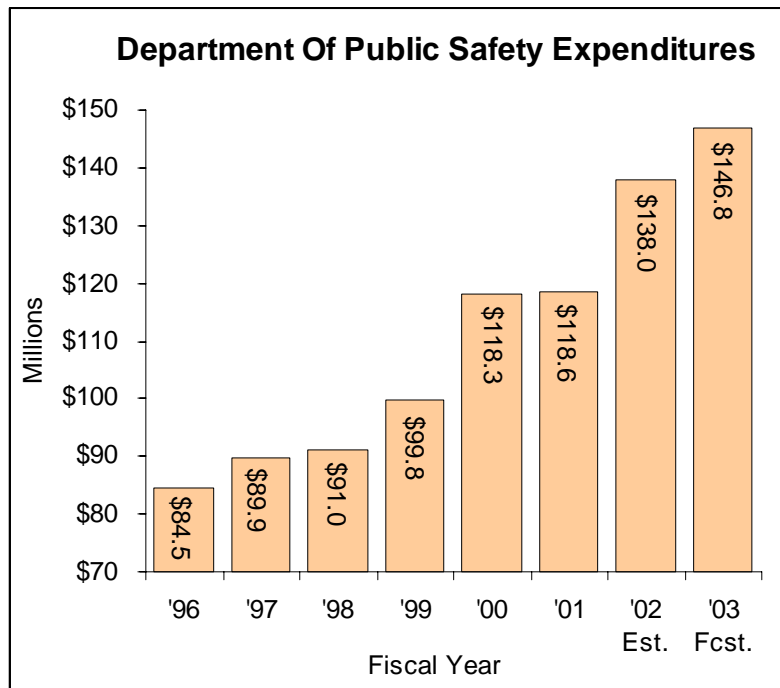
Governor Rowland is proposing legislation to establish .08 as the legal threshold in this state for DUI. In addition, he is proposing the installation of ignition-inter-locking devices that are currently in use in several other states as a method of assuring that repeat DUI offenders cannot operate their motor vehicles if they have been drinking. The costs for the installation of these devices would be the responsibility of the DUI offender. Further, the Governor is sponsoring a bill that passes muster with the federal government in terms of an open container bill.

Connecticut has always stressed the need for strict enforcement of driving under the influence laws, and is committed to improving the highway safety of all motorists traveling on our highway system with these proposals. Passage of these bills come at a critical time.

Department of Public Safety

In 1998, Governor Rowland supported a statutory change to increase the number of sworn police personnel covering Connecticut. The statute mandated 1,248 sworn personnel by July 1, 2001. On January 1, 2001, there were 1,191 sworn staff. Due to normal attrition in the Department, it is estimated that at least one trooper training class is needed each fiscal year to achieve the 1,248 level.

In the current fiscal year, the department has run two classes. One just graduated this past month. Another class is scheduled to start in late spring. In the FY 2002-03 adjusted budget, a trooper training class is scheduled for between 40 and 50 enrollees beginning sometime in January 2003. The Governor's budget provides the necessary funding for training classes to maintain the sworn count at the mandated level, barring unanticipated failure/dropout rates. Since it is recommended that the FY 2000-01 surplus be used for deficit mitigation this fiscal year, \$1.7 million was added to the adjusted budget to ensure adequate funding levels to conduct an additional training class.



Governor Rowland's commitment in the area of public safety is significant. In FY 1994-95, DPS expenditures were just \$80.4 million. The adjusted FY 2002-03 budget recommends expenditures of \$146.8 million, a growth of \$66.4 million or 83 percent.

Increased funding in DOC

During 2001, the total number of inmates incarcerated reached record highs after a year of relative stability. The over 16 percent growth in the accused population was a major contributing factor. The accused population currently accounts for 21 percent of the total facility population.

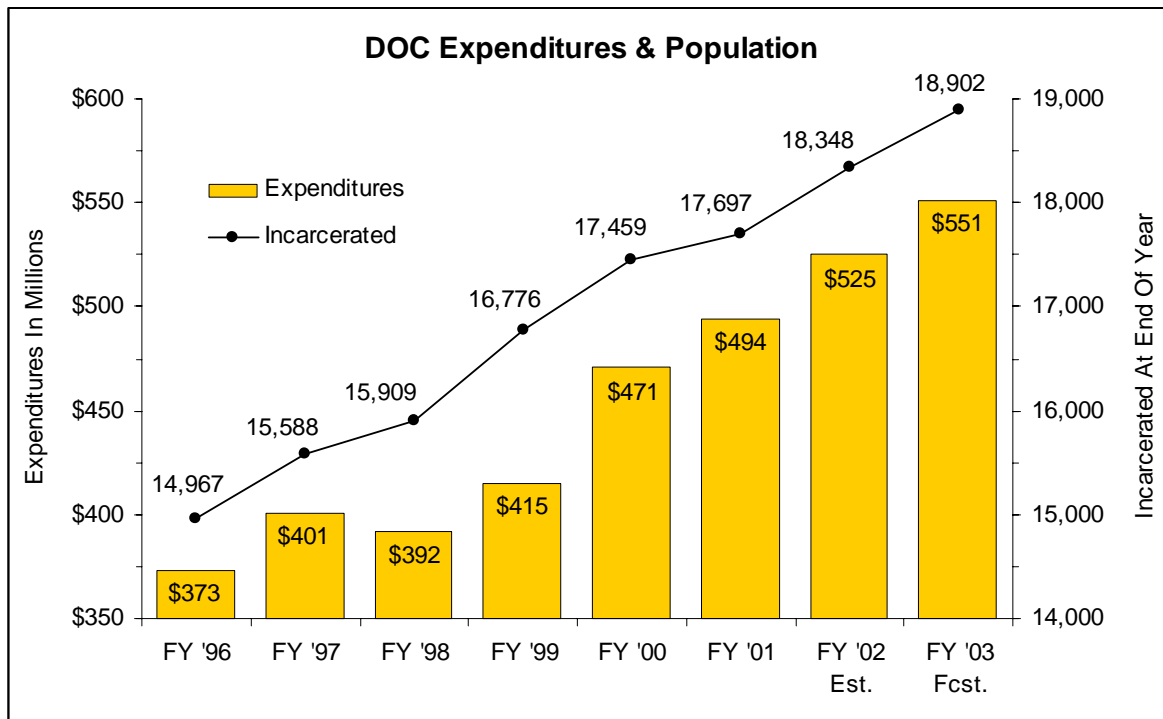
The sentenced facility population grew at a much slower rate of just over 2 percent. The Board of Parole has experienced a 48 percent increase in its caseload in a large part due to the increased number of eligible inmates.

As of February 1, 2002, inmate population within DOC facilities was 18,437. This includes 497 high security male inmates housed in Virginia. Current inmate population projections are expected to rise to 18,902 within the next fiscal year. This represents an increase of 465 inmates or 2.5 percent.

A recent Connecticut Supreme Court decision (*Dwayne Johnson V. Commissioner of Correction*) changing the minimum time served standard for certain inmates from 85 percent to 50 percent of their sentence is expected to reduce the number of inmates by 125 early in the next fiscal year. There could also be reductions in incarceration from the opening of up to four Community Justice Centers in the next several years. These centers, which specialize in rehabilitation and treatment, are supported with \$5 million in operating dollars in the adjusted budget.

The budget continues to support the out-of-state prison contract by including \$12.3 million. The contract is clearly cost effective and is helping us avert what would be more severe overcrowding if those prisoners returned.

The Governor's adjusted budget for FY 2002-03 includes nearly \$4.5 million of net new funding for 142 new staff and facility-related costs for the expansion of the MacDougall Correctional Institution in Suffield and revised population estimates. The expansion at the MacDougall facility, tentatively scheduled to open March 2003, will increase the existing facility capacity of nearly 1,000 beds by an additional 600 beds.



The original biennial budget provided \$50 million in new bond authorizations, along with unallocated ones, for prison and community justice center construction.

Additional adult parole officers

The Governor’s adjusted budget includes an increase to the Board of Parole of \$416,000 to support three additional parole officers, and a part-time clerical as well as monies to augment Community Residential and Non-Residential Services.

The additions were necessitated by the Supreme Court decision referenced above. Because of that decision clarifying whether the truth-in-sentencing law applies to certain inmates, it is expected that 300 additional inmates will be eligible for parole immediately. The Board of Parole will conduct the eligibility hearings for these inmates starting in March 2002. It is expected that approximately 125 of these inmates will be released on parole and will impact the parole officer's caseloads by the end of this fiscal year and into FY 2002-03.

These additional parole officers will assist in keeping the special management caseloads per parole officer at about 25, and the regular caseloads per parole officer near 55. These standards have been determined to be a safe and effective level for supervision of parolees in the community. The standard for a caseload of 55 regular parolees was developed in a recent time management study of the Field Services Division by Dr. Peter Hoffman of the National Institute of Corrections.

With the release of 125 inmates to parole, it is expected that the Department of Correction will achieve a savings that will offset the costs of these parole officers and other associated expenses.

Juvenile probation officers

The Governor’s adjusted budget also includes over \$800,000 in state funds to support half-year funding for 25 Juvenile Probation Officers that are currently funded by the Juvenile Accountability Incentive Block Grant (JAIBG). Those grant funds will expire January 2003.

These Juvenile Probation Officers are assigned to 10 of the existing 13 Juvenile Courts. With their

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support, the supervision caseloads have been reduced from 1:65 in December 1999 to 1:36 in June 2001. Reduced caseloads increase accountability and allow for more supervision of the most difficult juveniles in the community.

Changes to General Government

The adjusted budget includes numerous changes in the General Government area in recognition of the significant revenue gap faced in FY 2002-03.

OPM changes

A number of reduction options were taken in the Office of Policy and Management.

Continue various rescission reductions and forced lapses– A total of \$353,750 is being removed from OPM's budget in various programs in recognition of the current fiscal year rescissions. Programs reduced include the Automated Budget System, Drugs Don't Work, Children and Youth Development, and Boys and Girls Clubs.

Reductions to the Drug Enforcement Program – Approximately \$2.4 million was reduced through rescissions and forced lapses in the Drug Enforcement Program in the current fiscal year. The adjusted budget proposes to continue a reduction of about \$2 million in FY 2002-03. The DEP provides monies to state and local law enforcement agencies and local school districts for drug enforcement and education activities. In total the program will still have \$8.6 million in appropriations the coming fiscal year.

Reduce Neighborhood Youth Centers – Consistent with rescissions, forced lapses and cuts approved by the legislature in the November Special Session, \$500,000 is being removed from the program next fiscal year. The program will still pay out \$1.3 million next fiscal year.

DAS changes

Several DAS changes were made in the adjusted budget, including:

- \$1 million in reductions to Personal Services.
- \$100,000 to loss control risk management and \$75,000 to Other Expenses.
- \$50,000 was added for a disabilities outreach program and \$140,000 was added for the hospital billing system because of the loss of FY 2000-01 surplus funds.
- The workers' compensation administrator account was reduced by \$340,000 because of lower contract costs.
- Probate statutes require reporting to the state of liability of a decedent or their children for aid or care once provided by the state. Inaccuracies in reporting by fiduciaries have resulted in lost revenue. In order to correct this situation, the Department of Administrative Services will begin a process of reviewing notices to determine when a liability exists. The department also will more aggressively pursue inmates' assets for costs of incarceration. Both initiatives are estimated to result in increased general fund recoveries annually. To accomplish this, eight durational positions and \$325,000 were added to the adjusted budget.

Judicial branch changes

To effect efficiencies, a number of changes were made to the Judicial Branch:

- The Branch requested positions and funding of \$715,000 to accomplish data entry requirements associated with the paperless rearrest warrant system, protective restraining order registry, and bond forfeiture system. It is anticipated that the branch can fulfill those mandates without new funding.
- The \$500,000 reduction in personal services made during the Special Session was continued in FY 2002-03. An additional \$500,000 was reduced in personal services related to savings from per diem judicial marshals. Additionally, the Sheriffs Transition Account is being reallocated to personal services and other expenses.

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- \$500,000 was reduced in other expenses to reflect delays in occupancy of a leased building.
- Another \$675,000 in savings will be realized by not implementing some programs associated with Youth in Crisis for 16 and 17 year olds. The implementation of the program, which was to be effective 10/1/01, has been on hold in the current fiscal year because of rescissions. It is believed that many of the services will be duplicative of those offered in Connecticut Community KidCare.

Probate court reduction

PA 96-170 established statutory authorization to transfer funds from the Judicial Branch, if funds are appropriated, to the Probate Court for costs associated with cases involving the indigent. The FY 2001-2003 biennial budget as approved by the General Assembly includes \$500,000 appropriated each year to the Judicial Department for such purpose.

The adjusted budget eliminates this appropriation to the Judicial Department that currently augments the Probate Court Administration Fund, which has had balances at the end of the past two fiscal years of well in excess of \$20 million.

A report is due to the legislature the end of February 2002 that will include a review of the current Probate Court system. Though the outcome of the report is not yet known, it may support a reduction in the number of probate courts statewide.

Judges' salaries

The Governor is sponsoring legislation to increase judges' salaries. Judges will receive pay increases on April 1 of this year. Superior court judges will increase from \$116,000 to \$125,000, with commensurate increases for more senior judges and family court magistrates.

In order to increase judges' salaries to levels that match those in the executive and legislative branches and compensation more in line with the private sector, the Governor proposes to increase salaries for judges over the next three years. Superior court judges would increase to \$135,000 effective July 1, 2003, to \$145,000 on April 1, 2004, and to \$155,000 on April 1, 2005. Magistrates will receive commensurate increases.

Reducing inmate pay

Given the widespread reductions throughout state government in this adjusted budget, Governor Rowland felt it was only fair to reduce inmate pay by \$1 million. That savings will be achieved through restructuring of the existing Inmate Pay Plan. Currently, the four levels of pay begin at \$.75 per day to \$2.25 per day, depending on the inmate's job assignment. In FY 2000-01, 7,790 inmates earned over \$3.4 million in pay.

Though the Commissioner of Correction has administrative discretion to achieve this savings, it is expected a revised pay plan will be phased in and affect new inmates entering the state's correctional system.

Transfer Funding for Honor Guards to the Soldiers', Sailors' and Marines' Fund

In an effort to more appropriately fund Honor Guard services, expenditures to provide for this benefit will be charged to the Soldiers', Sailors' and Marines' Fund, not the general fund. This fund, as established, allows for the payment of funeral expenses, along with other benefits, to soldiers, sailors and marines who performed service in time of war.

It is anticipated that \$175,000 can also be saved annually by limiting state payments to two members on the honor guard, with federal funds picking up the costs for additional members of the honor guard.

Secretary of the State

The Secretary of the State's Other Expense budget has been moved off budget. It will be paid out of the Commercial Recording Division Fund, saving the general fund about \$1.3 million in FY 2002-03. The fund has enough resources to sustain the obligation in FY 2002-03.

Reducing Connecticut Grown

In the adjusted budget, the Connecticut Grown program is returned to its original \$15,000 funding level, for a savings of \$295,000. The Department of Agriculture recently obtained a \$500,000 one-time grant from the federal government that has helped promote Connecticut Grown products.

Department of Public Health

DPH's adjusted budget was reduced by \$1.5 million for continuation of rescissions and legislative reductions made during the Special Session.

Department of Veterans' Affairs

The Department of Veterans' Affairs has undertaken a major streamlining of its operation, including contracting for certain medical services, which have both cut costs and improved patient care. Hundreds of thousands of dollars have been saved because of these efficiency measures. The adjusted budget assumes continuation of \$400,000 in reductions in the current fiscal year and another \$100,000 to begin next fiscal year.

Commission on Human Rights and Opportunities

The Governor proposes a restructuring of the Commission on Human Rights and Opportunities. The chief referee and an additional referee position would be eliminated when the terms of the current appointees expire on January 1, 2003.

The executive director of CHRO would handle the assignment of cases to the three remaining referees and the role of the referees would also be modified to allow mediation duties. These changes are warranted by the current caseload and projections for future caseloads and will enable the agency to best utilize resources and to resolve cases at the level and in a manner that is most appropriate and effective.

Because of this change and other economies, approximately \$439,000 can be taken in FY 2002-03.

State Library

The adjusted budget for the State Library is reduced by about \$491,000 in certain accounts, including \$340,000 in Basic Cultural Resources Grants. Most of the reductions are continuations of rescissions or reductions made by the legislature in special session.

Allow Advertising in DMV renewal notices, registrations and licenses

In an effort to save about \$180,000 in the special transportation fund, the adjusted budget allows DMV to contract with a vendor who will be allowed to advertise, at no charge, in the state's drivers' license and registration renewal documents. The state will realize savings as the vendor provides the printing, inserting of the document, and the forms and envelopes at no cost to the state.

This is an innovative way for Connecticut’s DMV to reduce costs and increase efficiencies. The DMV has the right to review and approve all advertising. Packages clearly state that the DMV does not endorse any company or product, and that no personal information is shared with these companies.

Departments of Motor Vehicles in Florida, Minnesota and Maryland have contracted with such vendors.

HELP to put DMV licenses and registrations on line

The High Efficiency Licensing Program, or HELP, provides a customer-focused service delivery structure, supporting 900 licensing and permitting functions across 27 state agencies. The cornerstone of this effort is the 'Connecticut Licensing Info Center' (CLIC) website (www.ct-clic.com <<http://www.ct-clic.com>>). The CLIC web site provides a statewide, internet-based system that facilitates the identification of licenses and permits across multiple state agencies and provides the ability to download any and all relevant forms and ancillary information.

The ultimate goal of the High Efficiency Licensing Program is for businesses and individuals to be able to purchase and renew licenses and permits on-line using secure Internet technology. Using this model, it will be possible to obtain a license, permit or registration from the state with a single transaction from any networked personal computer without regard to which agency is responsible for completing the transaction.

As a prime part of this initiative, the Department of Motor Vehicles is moving ahead with a proposal to provide internet-based motor vehicle license renewal using credit cards as a convenient method of payment. With more than 1 million auto registrations statewide, customers will have the ability to interact with DMV at their convenience -- no longer constrained by a limited number of facilities, hours of operation, or long lines.

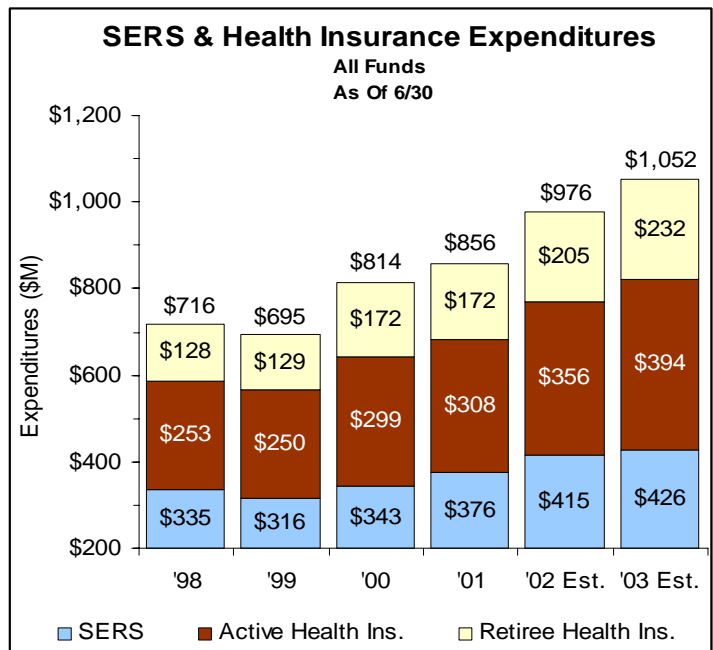
Insurance costs

The appropriation for the State Insurance and Risk Management Board was increased by \$2.2 million in the adjusted budget because the terrorist attacks have significantly increased insurance premiums for the state. The state has also experienced a reduction in coverage despite the premium hikes.

Fringe benefit increases

State employee fringe benefits are one of the fastest growing areas of the budget. The three largest components of fringe benefits are state employee retirement contributions, active employee health insurance and retiree health insurance. These three categories alone will total \$1.052 billion next fiscal year, up from \$976 million estimated in the current fiscal year or almost 8 percent.

Costs went up in this category in the current fiscal year by 14 percent. (Part of that whopping increase was attributable to a two-year, smoothed premium schedule the state had with its state employee health vendors that expired on June 30, 2001.) Still, at 7 percent, these costs will go up \$40 to \$50 million per year for the foreseeable future.



And the costs could be even higher. Our pension payments tend to increase because we are using a percentage of payroll methodology to extinguish our unfunded liability. Further, the market correction may have meant the value of the pension fund has dropped and higher unfunded liability payments may have to be made. With pharmacy costs rising at 15 to 20 percent per year and state employees and retirees having generous benefits, a 7 percent trend is likely entirely too low. Many would argue that a double-digit growth is more likely.

Workers' compensation claims

Due to continued increases in the number of claims, increases in medical costs and the addition of staff in some agencies, funding has been included for additional expenditures in Workers' Compensation Claims accounts. Total increases are about \$5.8 million.

In an effort to enhance the overall effectiveness of the workers' compensation claims process and reduce total workers' compensation claims costs and outyear risk, the state sold certain claim liabilities to a private insurer. This included claims in all state agencies and all claimant categories. This allowed the State to save \$11,930,749 in the general fund and \$745,640 in the special transportation fund in ongoing costs among the agencies with workers' compensation accounts. If this sale had not occurred, the increase included in the recommended workers' compensation claims accounts would have been much greater.

Reserve for Salary Adjustments

A significant net increase in funding is required in the Reserve for Salary Adjustments accounts, primarily due to large arbitration awards received by the Maintenance and Service and the 1199 Health Care bargaining units.

Upon reassessment of the account, \$9.5 million was added for the 1199 Health Care arbitration award and \$2.2 million was added for the Maintenance and Service award in the general fund account. In the Special Transportation Fund account, \$1.5 million was added for the Maintenance and Service award.

The overall net additional requirement in the general fund is \$11.6 million and the Transportation Fund additional requirement is \$1.8 million.

At the time these arbitrated contract awards were submitted to the legislature, the administration warned the General Assembly that they were both well over budgeted patterns and should be rejected. Nonetheless, they were approved and are now placing additional fiscal pressures on the FY 2002-03 budget, crowding expenditures on more critical services.

Fringe benefit accounts had to be adjusted upward in the budget submission as well, including \$2.1 million for increases in position count in the budget.

Restoration of energy funding

Because the FY 2000-01 surplus is being used to help offset the current year deficit, \$12.4 million in expected energy costs had to be restored to agency budgets across state government.

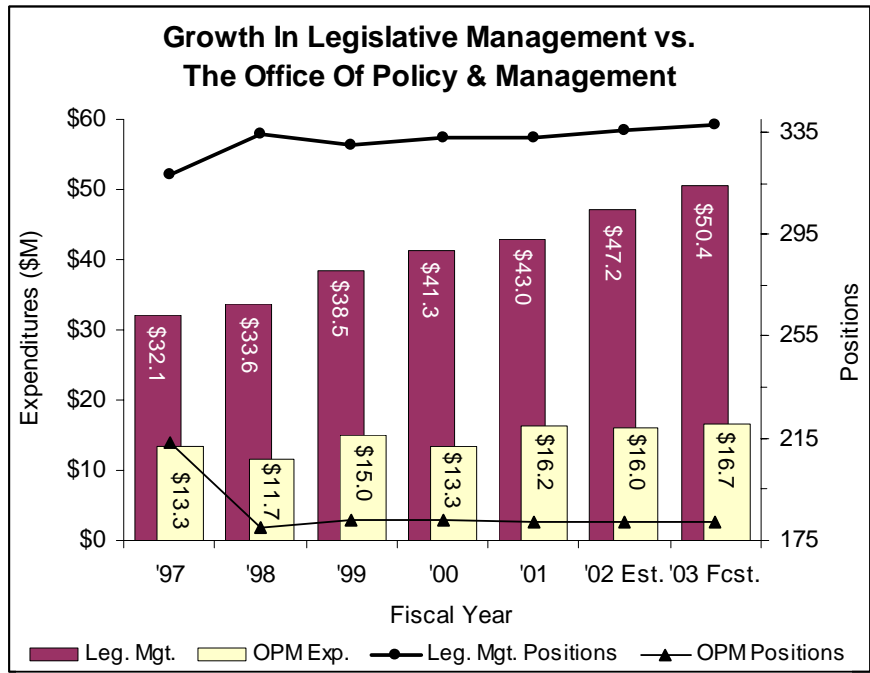
Legislative Lapse

While the Governor cannot modify a legislative agency's budget, he is recommending increasing the Legislative Lapse from \$1.2 million to \$2.4 million.

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The accompanying graphic shows a comparison between the Office of Policy and Management and Legislative Management, and their respective expenditures and authorized position counts, between FY 1996-97 and FY 2002-03. The expenditures shown only include accounts associated with staff costs, including Personal Services, Other Expenses, Interim Staffing Costs and Interim Salary/Caucus Offices.

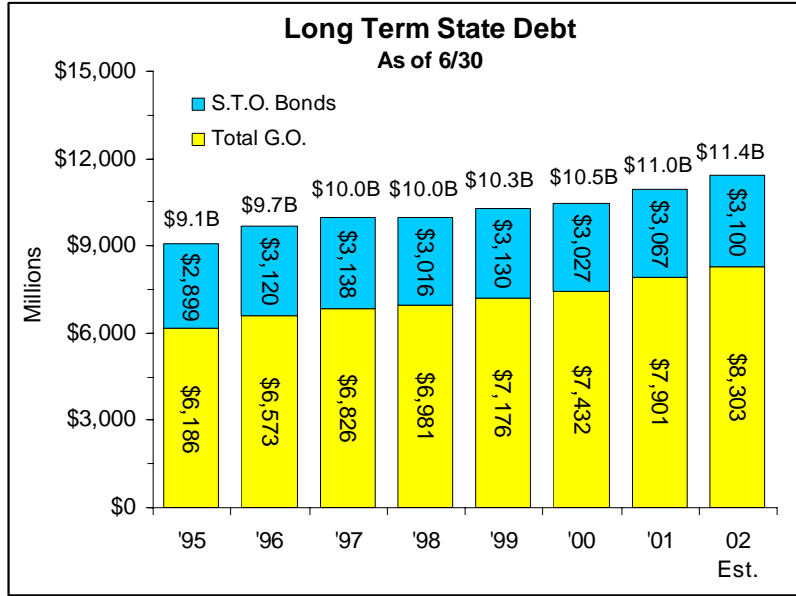
Legislative Management has experienced significant growth in staffing and staff-related expenditures during this time period, while the Office of Policy and Management has experienced minimal increases in staff-related expenditures and has even had a decline in their number of positions since FY 1996-97.



The Capital Budget

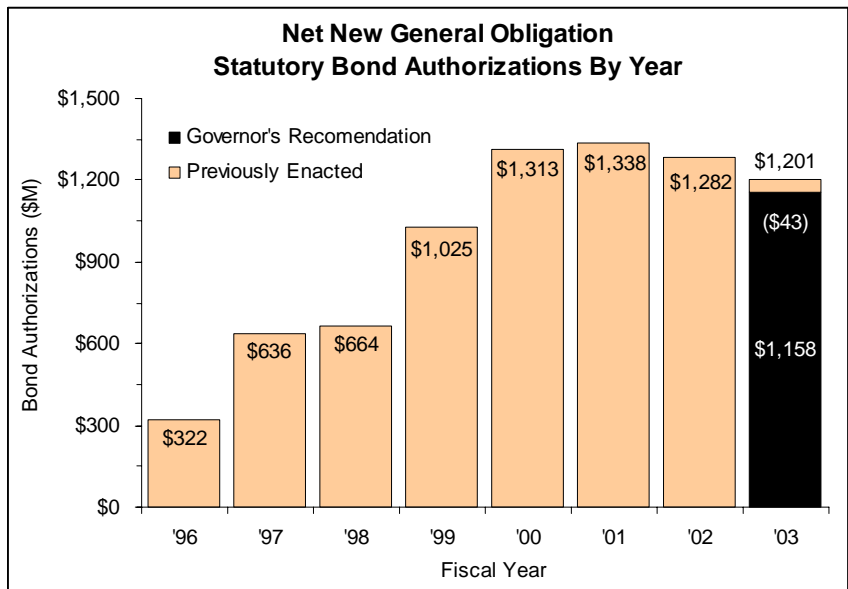
Because of the major drop in revenues this fiscal year and next, the adjusted budget has few new capital initiatives. That is because the state is within \$150 million of the first statutory debt limit of 90 percent of the overall limit.

This limit is a soft one: if authorized, allocated or outstanding debt goes over the limit, the Governor simply has to recommend changes to come under the limit but the Legislature is under no obligation to cancel authorizations. Overall debt is limited to 1.6 times net general fund revenues. But coming this close to the limit is of major concern because of the message it sends to bond rating agencies and investors. Therefore, any new initiatives in the bond package were limited in nature and deemed absolutely essential. Numerous cancellations are also recommended.



As can be seen from the accompanying chart, long-term GO state debt continues to increase by about \$400 million on average per year, much of that driven by the school construction conversion. Our debt service still appears to be leveling off as percentage of general and transportation fund expenditures, but that leveling off occurred in years where a significant amount of surplus monies were set aside for debt avoidance. The actual amount of debt service increased by \$30 million going into this fiscal year and is budgeted to increase by \$60 million next fiscal year.

Net new general obligation authorizations are reduced by \$43 million. The adopted budget package was at \$1.2 billion, including UConn. The amended capital budget is \$1.158. The Special Transportation Fund will see net new authorizations of \$15 million for the Transportation Strategy Board, bringing their bonding total to \$27 million.



The following cancellations were made to help with debt limit:

- \$9.5 million for CRRA projects.
- Clean Water GO bonds to the tune of \$36.8 million.
- CDA Works Fund for \$33 million.
- \$1.3 million for the CREC magnet school in New Britain.
- \$7 million for the regional economic development fund.

While it does not help with the debt cap, the Governor is also proposing to cancel the \$120 million tax-incremental-financing authorization for Steele Point in Bridgeport. Instead, he is recommending a \$10 million GO bond for pre-development costs.

School construction changes

Besides the lower revenues, the school construction conversion program is creating some short-term spikes in our debt authorizations and debt service. It is anticipated that as the old bonds are retired, overall authorizations

will begin to taper off sometime in the middle to latter part of this decade. Returning to the old program – where the state essentially bonded twice for the same school project – is tremendously costly. The current system, while costly now because we are paying off the old bonds and issuing new ones, will save the state hundreds of millions in the long run.

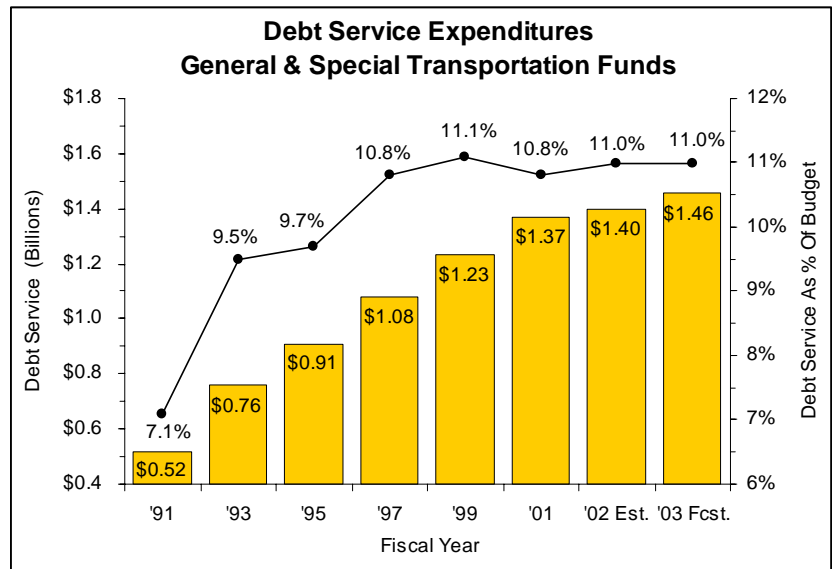
Worrisome, though, is the fact that priority school lists are increasing tremendously. The current list is \$1.7 billion. The estimated state match on this is expected to be \$1.0 billion and is generally paid out over the next three to five years. The Governor does not want to retreat from his commitment to keep issuing the state's share of school projects to towns upfront, but we need to limit the annual exposure of school priority lists. Therefore, the Governor is proposing three sensible reforms to the program:

- Reducing the reimbursement rate from 100 percent to 95 percent for the construction of Vocational Agriculture centers, Regional Special Education facilities, and Interdistrict Magnet schools. It is only appropriate that communities financially contribute to the facilities that they will use. It should be noted that this is still a more generous reimbursement formula than the 20 percent to 80 percent for non-specialized School Construction projects.
- Require communities to get local approval before any project is submitted for inclusion on the School Construction priority list. Too often, communities submit major projects that ultimately fail in local bond referenda. Having communities receive approvals prior to priority list inclusion should result in more thoughtful, more cost-effective projects (or the voters simply will not approve them.)
- Limit School Construction priority list projects to \$1 billion annually beginning with the list submitted in December 2002. By limiting the priority list to \$1 billion, the state match will be spread out over more time, making the annual state commitments lower, and thus, more affordable.

Capital budget initiatives

School construction is discussed in more detail in the local aid section, while new initiatives for the three public higher ed units are discussed in the education section. Examples of economic development initiatives are outlined in the economic/workforce development section.

Other projects included in the original adopted budget include:



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- \$40 million for state and local acquisition of open space.
- \$10 million for affordable housing.
- \$10 million for park improvements.
- \$15 million for vo-tech schools supplemental projects. Major construction is now in the school construction program.

Major new initiatives in the adjusted capital budget include:

- \$35 million in new authorizations for replacement of the state's core financial system.
- \$30 million for compliance with the Health Insurance Portability and Accountability Act.

Affordable housing

Governor Rowland is dedicated to increasing the amount of affordable housing in the state. In addition to supportive housing, he has set aside bond dollars for congregate housing for the elderly and for assisted living complexes. He is willing to use a combination of general obligation bonds, low-income housing tax credits and private activity bond capacity to build affordable housing.

\$10 million in new GO authorizations for housing purposes were in the original biennial budget plan for FY 2002-03. In addition, there is \$67 million in already authorized but unallocated housing bonds, some of which will be used for the supportive housing initiative detailed in the mental health section of this document.

Low income housing tax credits

The amount of federal Low Income Housing Tax Credits available annually had been capped by federal law since the program's inception in 1986. In 2000, Congress passed and the President signed into law legislation that increases the states' caps on these tax credits from \$1.25 per capita in 2000 to \$1.50 per capita in 2001 and to \$1.75 per capita in 2002.

This increase will enable the Connecticut Housing Finance Authority to provide an estimated \$6.4 million in additional private equity investment in low-income housing in 2001, and an additional \$12.8 million in 2002 compared to the previously capped amount. This increase in the amount of available private equity will significantly enhance the development of affordable housing in Connecticut in the coming years.

Private activity bonds

Under federal tax law, states are allowed to issue tax-exempt bonds on behalf of private entities for certain projects, including affordable housing and economic and community development projects. States have been limited to issuing so-called private activity bonds to no more than \$50 per capita each year. The new federal law increased states' tax-exempt capacity to \$62.50 per capita in calendar 2001 and to \$75 per capita in calendar 2002 and beyond. That increases capacity by 50 percent. Under the old rules, Connecticut could issue about \$164 million in tax-exempt private activity bonds. In calendar 2002, a total of \$256.8 million per year could be issued.

When the law changed at the federal level, Governor Rowland sponsored state legislation that dedicated the vast majority of the old and new level to CHFA to promote affordable housing. In December, \$55.7 million in unused 2001 capacity was transferred to CHFA. As of January 1, they had another \$154.1 million in capacity.

Flexible housing programs

State housing programs have evolved for more than fifty years, generally in response to specific housing needs. The result has been numerous housing programs, each with their own rules, goals

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and objectives. Many programs have had complicated administrative and programmatic rules associated with them which limit the flexibility of communities and developers. This complex set of requirements has made the programs difficult for the department to administer and for customers to utilize.

Passage of the flexible housing program within the Department of Economic and Community Development also helps on the affordable housing front. The new program allows the department to provide financial assistance to a variety of affordable housing and related projects. This assistance may consist of grants, loans, loan guarantees, and deferred loans. The allowed activities of several previously issued bond authorizations for housing initiatives are now expanded to include activities under this new program. This will allow DECD to fund mixed use and other types of projects that will be far more viable than a project that is solely affordable housing.

Local Aid

Governor Rowland's adjusted FY 2002-03 budget plan ensures that overall municipal aid does not drop in the state, despite the state's financial crisis. The budget also attempts to recognize the genuine impact that casino development has had on neighboring towns. The budget continues to phaseout the arbitrary cap placed on education aid through the years.

**Summary - Estimated Formula Grants to Municipalities
(Appropriated, In Millions)**

Grant	Fiscal <u>2001</u>	Fiscal <u>2002</u>	Fiscal <u>2003</u>
State-Owned PILOT	\$64.8	\$66.0	\$63.8
College & Hospital PILOT	97.2	100.9	97.2
Pequot Grant	135.0	135.0	135.0
Town Aid Road Grant	35.0	35.0	35.0
LoCIP	30.0	30.0	30.0
Miscellaneous General	20.0	24.0	22.0
Machinery & Equipment	<u>76.1</u>	<u>75.0</u>	<u>74.2</u>
Sub-total - General Government	\$458.1	\$465.9	\$457.2
Public School Transportation	\$45.2	\$47.5	\$47.8
Non-Public School Transportation	4.8	5.0	4.7
Adult Education	17.9	17.7	17.8
Education Cost Sharing	1,388.0	1,459.0	1,469.5
Miscellaneous Education Grants	<u>196.6</u>	<u>202.5</u>	<u>222.2</u>
Sub-total - Education	\$1,652.5	\$1,731.7	\$1,762.0
Total - Formula Grants	\$2,110.6	\$2,197.6	\$2,219.2

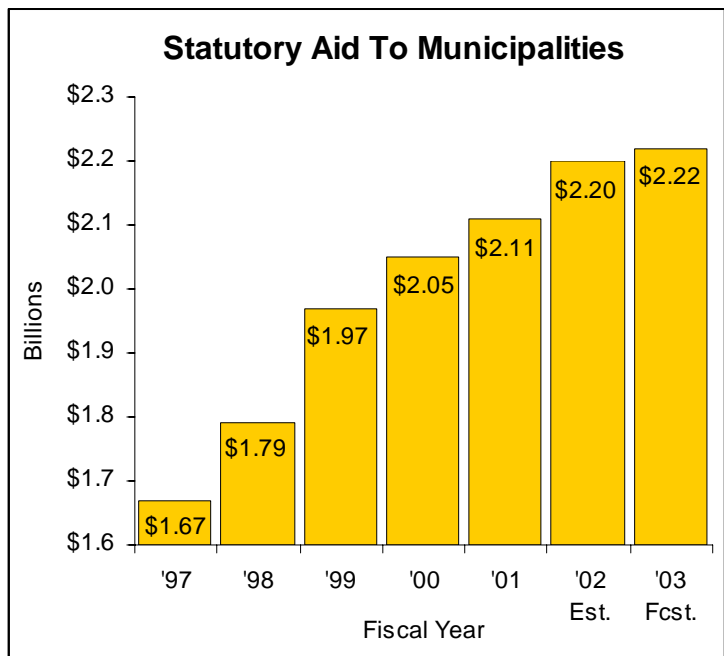
For sure, many mayors and first selectmen will be upset with what is offered in these pages. Because of the vagaries of the Mashantucket Pequot/Mohegan formula as well as the Education Cost-Sharing Formula, there will be winners and losers in terms of state aid because overall aid is not increasing substantially. But it is important for each town to understand the historic commitment the Rowland administration has made to increasing municipal aid over the past eight budgets.

In FY 1994-95, statutory formula grants to municipalities stood at \$1.558 billion. Formula grants for FY 2002-03 are estimated at

\$2.219 billion, an increase of over 42 percent or \$661 million. Formula grants will increase from this fiscal year by \$22 million. It should be noted, however that formula grants surged this fiscal year by \$87 million or 4.1 percent.

Total state payments to or on behalf of local governments will increase from an estimated \$2.453 billion this fiscal year to \$2.476 billion next year, up \$23 million. One of the larger payments made by the State on behalf of municipalities is contributions to the teachers' retirement fund. The state pays the entire employer share, which is estimated to be \$205 million this fiscal year and jump to \$215 million next fiscal year. In addition, between \$11.5 and \$12.0 million is paid by the state for retired teachers' health insurance.

In terms of capital aid to towns, significant investments are being made with the Urban Act at \$142 million next fiscal year, the Small Town Economic Assistance Program at \$20 million, and numerous



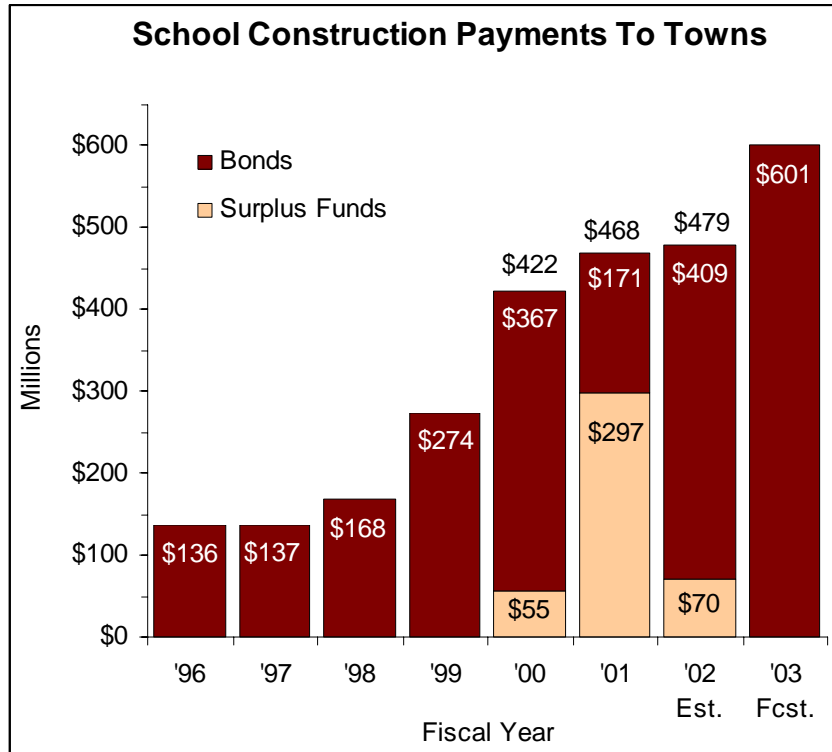
special acts for towns being funded. The Manufacturing Assistance Act, open space preservation, clean water funding, educational technology are all being funded generously.

School construction projects continue to increase dramatically. School construction payments to towns are expected to increase from \$479 million this fiscal year to \$601 million next fiscal year. The amount could top \$700 million the year after. The latest school priority list was \$1.7 billion. That is why Governor Rowland is proposing some reforms to rein in the tremendous growth. The conversion of the program to provide state funding upfront has alleviated a major debt burden on towns. As the state is seeing its debt service and debt authorizations increase dramatically as it struggles to pay bonds on two systems for the foreseeable future, it makes sense to limit school projects at a certain threshold each year.

In total, \$989 million in bonds authorized for payments to or on behalf of towns are included in this adjusted budget.

Notable municipal formula aid changes or increases in the adjusted budget include:

ECS – As noted in the education section, the budget pares \$48.9 million from the current service budget. The most significant change is the reduction in the cap phase-out amount from \$25 million to \$15 million. The state will delay meeting the phaseout requirement by one year. The one-time COLA in the biennium of \$6 million is removed. Further, the grant, after factoring in the \$15 million for the cap, will be pro-rated by 2 percent to save approximately \$30 million. ECS will still increase by about \$11 million next fiscal year.



Sheff initiatives – Funding for these initiatives will increase from \$165.6 million estimated in the current fiscal year to \$181.2 million.

Special education – The Equity grant is being eliminated and the State will delay for one year the reduction in the student-based grant from 5 times the average per pupil cost threshold to 4.5 times. Still, costs in the student-based grant will be up a minimum of \$5 million next fiscal year.

Miscellaneous education – Numerous grants are either being capped at this fiscal year’s estimated expenditures or are taking minor reductions.

PILOTS – Both the state-owned and colleges and hospitals pilot are staying at the adopted budget level. That means a reduction from this fiscal year’s level of a total of \$5.9 million.

Pequot/Mohegan – The grant is staying at \$135 million, but the Governor has decided to allocate a minimum of \$500,000 for five towns – Montville, Ledyard, Preston, North Stonington, and Norwich – for casino impact aid. Some of those towns already get impact aid. The impact aid will increase from a low of \$75,000 for Ledyard to a high of \$500,000 for Norwich. Obviously, these towns will also

receive other Pequot aid per the formula. There is \$47.5 million that is distributed based on towns' overall share after the other formulas are run. Governor Rowland is proposing that the casino impact aid be treated as any other form of aid in the formula. Therefore, the impact aid will help those towns net even more money in the final distribution of the remaining \$47.5 million balance.

Increase funding for elderly homeowners FREEZE program

This program reimburses municipalities for property tax relief granted to elderly homeowners. This program has been closed to new applicants since 1979 and only persons who were on the program in 1979 can continue to receive benefits. The Governor is recommending an increase of \$870,000 to the appropriation for FY 2002-03 to meet the latest estimated needs of the program.

Previous estimates indicated a faster decline in the number of participants in the program than actually occurred. Revised mill rates have also resulted in the need for additional funding for the program. The FY 2001-02 appropriation is approximately \$600,000 less than required and an FAC transfer has been required to fully fund this mandatory program.

Exempting Anthem stock or cash from qualification for relief programs

Governor Rowland is sponsoring legislation that will ensure that no elderly or disabled resident is denied access to any elderly or disabled renter or homeowner assistance program administered by the Office of Policy and Management simply because they received cash or stock from Anthem during its recent demutualization. The language will apply retroactively to January 1, 2002. Similar legislation is being sponsored for the ConnPACE Program.

Increase funding for distressed municipalities grant

This program exempts from municipal taxes (for five years) a portion of the real estate and personal property of designated facilities located in distressed municipalities. The Governor is recommending an increase in the appropriation of \$2.7 million to meet the latest projected expenditures resulting from increased qualifying business construction and personal property in the southeast portion of the state.

Eliminating wastewater grants

The adjusted budget proposes the elimination of the \$250,000 wastewater grant in OPM. Five towns – Hartford, Waterbury, Cromwell, Naugatuck and New Haven – each received \$50,000 annually. The funding for this grant is also slated to be removed this fiscal year as part of the Governor's deficit mitigation plan.

Repeal commercial truck exemption

The manufacturing and equipment reimbursement to municipalities for new manufacturing machinery and equipment coming on line was reduced from 100 percent to 80 percent effective this fiscal year. A provision to eliminate reimbursements on trucks weighing 55,000 pounds or more was proposed by the legislature but did not pass. The 55,000-pound truck provision went into effect for the first time in the current fiscal year. There appears to be little or no valid economic development reason to extend this reimbursement to such trucks. Therefore, given the fiscal crisis the state is in, the Governor is proposing again to eliminate the reimbursement on such trucks. (The current program reimbursing trucks for hire will stay in place.) Towns will have the option to abate the tax on these vehicles or fully tax them.

Interlocal revaluation payments

Section 130 of Public Act 01-09 of the June Special Session repealed the Interlocal Revaluation Agreement Grant. Fifteen towns, however, had entered into joint contracts for services with certified revaluation companies on or prior to June 30, 2001. These towns are implementing revaluations effective October 1, 2001, October 1, 2002 and October 1, 2003.

Out of fairness to these towns, which entered into such cooperative agreements thinking they would be eligible for a state subsidy, Governor Rowland is proposing to fulfill the state's obligation to those fifteen towns.

The Governor's adjusted budget makes provisions for the thirteen towns that signed agreements by June 30, 2001 to receive the Interlocal Agreement Grant pursuant the former statute. The administration is proposing to meet payments for towns in FY 2001-02 by utilizing interlocal dollars that it had previously agreed would lapse and go toward mitigating the deficit. A portion of those dollars would be carried forward and be supplemented by a new appropriation of \$48,500 to make FY 2002-03 payments. The remaining two towns will be eligible for a grant payment in FY 2003-04.

These grants are between \$12,500 and \$30,000 per town and represent a significant source of revenue for many smaller towns.

Housing and tax abatement pilots

The adjusted budget proposes to eliminate the Tax Abatement and the Payment-in-lieu of Taxes for housing authorities, for a savings of \$5.1 million in both FY 2001-02 and FY 2002-03. The FY 2001-02 savings is part of the Governor's recent deficit mitigation proposal. These grants, funded in the Department of Economic and Community Development, help compensate towns for the loss of taxes on non-profit developments and housing authorities. The programs are proposed for elimination in large part because not all towns benefit from the grants.

Tax Abatement Payments		PILOT Payments			
TOWN	FY 2000-2001	TOWN	FY 2000-01	TOWN	FY 2000-01
City of Ansonia	12,310	City of Bristol	98,349	Town of New Cannan	10,949
Town of Bethel	41,445	City of Danbury	208,861	City of New London	165,093
Town of Bloomfield	53,345	Town of Darien	57,104	City of Norwich	208,494
City of Bridgeport	151,007	Town of East Hartford	63,531	Town of Ridgefield	16,744
City of Danbury	25,989	Town of Enfield	177,174	Town of Seymour	97,370
Town of Granby	11,088	Town of Greenwich	208,988	Town of Sharon	11,654
City of Hartford	604,232	City of Hartford	331,766	City of Stamford	466,423
Town of Kent	7,797	Town of Mansfield	25,618	Town of Stratford	74,634
Town of Middletown	78,245	Town of Meriden	137,335	Town of Westport	26,399
City of New Britain	34,469	Town of Middletown	139,642	Town of Wethersfield	18,428
City of New Haven	465,029	City of New Britain	278,264	Town of Windham	77,180
Town of Norwalk	127,937	Grand Total	\$2,900,000		
City of Stamford	393,203				
Town of Waterbury	237,180				
Total	\$2,243,276				

Revaluation delays

Recognizing that municipal aid is essentially flat in this budget, Governor Rowland is looking for ways he can reduce burdens on municipalities, especially small towns, which receive very little state aid.

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The Governor recognizes that the four-year revaluation statute is a tremendous burden to small towns. Costs for so-called interim revaluations appear to be coming in well more than was originally contemplated when the statute was passed. Some towns do not have full-time assessors to carry out these types of major duties so frequently. Many of these small towns do not have enough sales activity to justify the tens or hundreds of thousands of dollars the revaluations might cost.

Thus, the Governor is proposing that the revaluation statute be amended to allow towns to defer revaluations upon meeting certain criteria. Those criteria would measure the degree to which fair market value has gone up or down since the last revaluation and the degree of change within specific classes of property.

If a town meets the criteria, an exemption is granted. Towns would not be limited to just one deferment as long as they could continue meeting the criteria every four years.

Conclusion

Back in September, many accused Governor Rowland of being overly pessimistic about the state of the economy. Since that time, it would appear that the Governor's prediction that things could get worse – before they got better – was on point. No one would argue now that the situation hasn't eroded further.

The reality of the current situation is that the state can no longer pay all of its bills. How state government reacts in times like these often reflects on the leadership abilities of its elected officials.

In this adjusted budget, Governor Rowland signals that he is willing to step up to the plate. The Governor would be the first to admit that the use of one-time revenues to balance a budget is certainly out of character. Even more out of character is an endorsement of a tax increase.

However, it is necessary for the Governor to balance a plethora of needs in a compassionate and rational manner.

By combining some small tax changes, stop gap revenues, targeted spending reductions and recognition that cuts to the most basic services should be off the table creates an environment of compromise.

The other side of that compromise needs to be the recognition that going to the extremes, as lawmakers did in the 1980s to "balance" the budget, needs to be quickly taken off the table too. Limiting the draw down on the Rainy Day Fund is essential. Ruling out a prospective raid should be dismissed. Utilizing the FY 2000-01 surplus to mitigate this fiscal year's deficit needs to be an important component of the solution.

Even if compromise is in the making, it will still take discipline and discernment to pass a budget that reflects the economic realities of our times.



SECTION A - FINANCIAL SUMMARY

GOVERNOR'S BUDGET PLAN

(In Millions)

	2000-01	2001-02	2002-03
<u>General Fund</u>			
Projected Revenues	\$ 11,985.5	\$ 11,426.5	\$ 11,906.2
Recommended Appropriations (Net)	<u>11,954.8</u>	<u>11,898.7</u>	<u>12,387.8</u>
Balance from Operations	30.7	(472.2)	(481.6)
Increase Cigarette Tax effective 4/1/02		42.5	129.3
Restructure HMO Tax Credit		14.0	15.6
Transfers from Surplus		202.6	
Transfers from Other Sources			260.2
Additional Tax Changes (Net)			23.3
Miscellaneous Changes		10.2	53.6
Net Expenditure Reductions from Surplus Use		<u>(80.3)</u>	
Revised Balance from Operations	<u>30.7</u>	<u>(122.6)</u>	<u>0.4</u>
Transfer (to)/from Budget Reserve Fund	(30.7)	122.6	(0.4)
Projected Balance 6/30	\$ 0.0	\$ 0.0	\$ 0.0
<u>Special Transportation Fund</u>			
Beginning Balance	\$ 90.2	\$ 135.7	\$ 170.4
Projected Revenues	<u>871.8</u>	<u>879.0</u>	<u>883.8</u>
Total Available Resources	\$ 962.0	\$ 1,014.7	\$ 1,054.2
Recommended Appropriations (Net)	<u>826.3</u>	<u>844.3</u>	<u>878.2</u>
Projected Balance 6/30	\$ 135.7	\$ 170.4	\$ 176.0

GOVERNOR'S RECOMMENDED REVISIONS TO CURRENT FISCAL YEAR

(In Millions)

<u>General Fund</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fiscal Year 2001-2002</u>
Gross Deficit			551.1
Governor's September Allotment Rescissions		(29.5)	
Revised Deficit			521.6
Special Session Actions			
Transfer of Surplus	128.8	.	
Transfer of Carry Forwards	7.0		
Appropriation Reductions	<u>0.0</u>	<u>(35.3)</u>	
	135.8	(35.3)	
Revised Deficit			350.5
Governor's December Rescissions		<u>(28.1)</u>	
Revised Deficit			322.4
Governor's Recommended Changes			
Increase Cigarette Tax by \$.61 effective 4/1/02	42.5		
Restructure HMO Tax Credit	14.0	14.0	
Transfer Unallotted Balance of FY 01 Surplus	<u>73.8</u>	<u>(83.5)</u>	
	130.3	(69.5)	
Revised Deficit			122.6
Transfer from Budget Reserve Fund	122.6		
Balance 6/30/02			<u><u>0.0</u></u>

SUMMARY OF EXPENDITURE GROWTH

(In Millions)

	Estimated Expenditures <u>2001-02</u>	Net Adjustments <u>2002-03</u>	Recommended Appropriation <u>2002-03</u>	% Growth Over <u>2001-02</u>
General Fund	\$ 11,898.7	\$ 489.1	\$ 12,387.8	4.1%
Special Transportation Fund	844.3	33.9	878.2	4.0%
Mashantucket Pequot & Mohegan Fund	135.0	0.0	135.0	0.0%
All Other Funds	86.1	2.5	88.6	2.9%
Total	\$ 12,964.1	\$ 525.4	\$ 13,489.6	4.1%

SUMMARY OF APPROPRIATION CHANGES

(In Millions)

	Appropriation <u>2002-03</u>	Net Adjustments <u>2002-03</u>	Recommended Appropriation <u>2002-03</u>	% Growth Change
General Fund	\$ 12,431.4	\$ (43.6)	\$ 12,387.8	-0.4%
Special Transportation Fund	877.3	0.9	878.2	0.1%
Mashantucket Pequot & Mohegan Fund	120.0	15.0	135.0	12.5%
All Other Funds	89.3	(0.7)	88.6	-0.8%
Total	\$ 13,518.0	\$ (28.4)	\$ 13,489.6	-0.4%

SUMMARY OF CAP GROWTH

(In Millions)

	Appropriated Base <u>2001-2002</u>	Recommended Appropriation <u>2002-2003</u>	<u>Difference</u>	<u>% Change</u>	<u>% Cap</u>
Appropriated Funds - Capped	\$10,207.7	\$10,746.2	\$538.5	5.3%	6.20%
Appropriated Funds - Uncapped	<u>\$2,712.0</u>	<u>\$2,743.4</u>	<u>\$31.4</u>	1.2%	N.A.
Total - Appropriated Funds (1)	\$12,919.7	\$13,489.6	\$569.9	4.4%	

(1) Total Appropriated Funds for fiscal 2001-2002 have been revised to reflect an additional deficiency appropriation of \$4.6 million.

ESTIMATED EXPENDITURE CAP GROWTH

(Based on Current Statute)

	Fiscal <u>2002-2003</u>
Expenditure Cap (1)	6.20%
<u>Personal Income (In Thousands)</u>	
Beginning Personal Income	\$106,652 (FY 1996)
Ending Personal Income	\$144,063 (FY 2001)
Personal Income Growth	6.20%
<u>Consumer Price Index</u>	2.24%

(1) The Expenditure Cap is the greater of the Personal Income Growth or the growth in the Consumer Price Index in the above Table.

ANALYSIS OF THE SPENDING CAP

(In Millions)

	Fiscal Year 2001-02			Fiscal Year 2002-03		
	Enacted Budget	NSS SA 01-1 Budget	Recommended Budget	Enacted Budget	NSS SA 01-1 Budget	Recommended Budget
Total All Appropriated Funds - Prior Year	\$ 12,360.6	\$ 12,360.6	\$ 12,360.6	\$ 12,956.0	\$ 12,920.7	\$ 12,919.7
Less "Non-Capped" Expenditures:						
Debt Service	1,417.2	1,417.2	1,417.2	1,437.7	1,426.2	1,426.2
Statutory Grants to Distressed Municipalities	1,199.4	1,199.4	1,199.4	1,294.9	1,293.4	1,276.7 [3]
Supplemental Education Aid [1]	-	-	-	9.0	9.0	9.0
Total "Non-Capped" Expenditures - Prior Year	<u>2,616.6</u>	<u>2,616.6</u>	<u>2,616.6</u>	<u>2,741.6</u>	<u>2,728.6</u>	<u>2,712.0</u>
Total "Capped" Expenditures	9,744.0	9,744.0	9,744.0	10,214.4	10,192.1	10,207.7
Times Five-Year Average Growth in Personal Income	5.33%	5.33%	5.33%	5.53%	5.53%	6.20% [4]
Allowable "Capped" Growth	<u>519.4</u>	<u>519.4</u>	<u>519.4</u>	<u>564.9</u>	<u>563.6</u>	<u>632.9</u>
"Capped" Expenditures	10,263.4	10,263.4	10,263.4	10,779.3	10,755.8	10,840.6
Plus "Non-Capped" Expenditures:						
Debt Service	1,437.7	1,426.2	1,426.2	1,478.5	1,478.5	1,453.9
Federal Mandates and Court Orders (new \$)	29.2	29.2	29.2	1.1	1.1	5.1
Statutory Grants to Distressed Municipalities	1,294.9	1,293.4	1,290.4 [2]	1,322.1	1,322.1	1,284.3
Supplemental Education Aid [1]	9.0	9.0	9.0	-	-	-
Total "Non-Capped" Expenditures	<u>2,770.8</u>	<u>2,757.8</u>	<u>2,754.8</u>	<u>2,801.7</u>	<u>2,801.7</u>	<u>2,743.4</u>
Total Permitted Appropriations	13,034.2	13,021.1	13,018.1	13,580.9	13,557.5	13,584.0
Appropriation for this year	<u>12,956.0</u>	<u>12,920.7</u>	<u>12,919.7</u> [2]	<u>13,518.0</u>	<u>13,518.0</u>	<u>13,489.6</u>
Amount Total Appropriations are Over/(Under) the Cap	\$ (78.2)	\$ (100.4)	\$ (98.5)	\$ (63.0)	\$ (39.5)	\$ (94.4)

Note:

[1] Per PA 01-9 (HB 7507), Section 68, \$9 M of Supplemental Education Aid designated for Hartford and Waterbury as distressed municipalities shall not be considered general budget expenditures for the year ending June 30, 2002.

[2] Reflects proposed deficiency bill.

[3] Revised to reflect the new listing of distressed municipalities.

[4] Revised to reflect actual personal income growth through fiscal year 2001.

SUMMARY OF PROPOSED APPROPRIATIONS BY FUNCTION OF GOVERNMENT

(In Millions)

	2002-2003 Appropriated	2002-2003 Revised Recommended
GENERAL FUND		
Legislative	\$ 63.2	\$ 63.2
General Government	472.8	465.2
Regulation and Protection	231.7	234.3
Conservation and Development	79.6	73.2
Health and Hospitals	1,267.1	1,260.6
Transportation	35.0	35.0
Human Services	3,659.8	3,696.0
Education, Libraries & Musuems	2,897.3	2,826.5
Corrections	1,137.7	1,148.4
Judicial	399.4	399.7
Non Functional	2,294.7	2,290.5
Total - General Fund Gross	<u>12,538.2</u>	<u>12,492.7</u>
Less: Legislative Unallocated Lapses	(1.2)	(2.4)
Estimated Unallocated Lapses	(78.0)	(78.0)
General Personal Services and Other Expense Reduction	(24.5)	(24.5)
DoIT Lapse	(1.5)	0.0
Energy Costs	(1.7)	0.0
TOTAL - General Fund Net	<u>\$ 12,431.4</u>	<u>\$ 12,387.8</u>
SPECIAL TRANSPORTATION FUND		
General Government	\$ 2.5	\$ 2.5
Regulation and Protection	54.8	54.7
Transportation	335.8	338.6
Non-Functional	499.2	497.5
Total - Special Transportation Fund Gross	<u>892.3</u>	<u>893.2</u>
Less: Estimated Unallocated Lapses	(15.0)	(15.0)
TOTAL - Special Transportation Fund Net	<u>\$ 877.3</u>	<u>\$ 878.2</u>
MASHANTUCKET PEQUOT FUND		
Non-Functional	\$ 120.0	\$ 135.0
Total - Mashantucket Pequot Fund	<u>\$ 120.0</u>	<u>\$ 135.0</u>
SOLDIERS', SAILORS' AND MARINES' FUND		
General Government	\$ 0.2	\$ 0.2
Regulation and Protection	\$ 0.0	\$ 0.2
Human Services	3.2	3.2
Total - Soldiers', Sailors' and Marines' Fund	<u>\$ 3.5</u>	<u>\$ 3.6</u>
REGIONAL MARKET OPERATION FUND		
Conservation and Development	\$ 0.8	\$ 0.8
Non-Functional	0.1	0.1
Total - Regional Market Operation Fund	<u>\$ 0.9</u>	<u>\$ 0.9</u>
BANKING FUND		
Regulation and Protection	\$ 15.8	\$ 15.9
Total - Banking Fund	<u>\$ 15.8</u>	<u>\$ 15.9</u>
INSURANCE FUND		
Regulation and Protection	\$ 21.7	\$ 21.3
Total - Insurance Fund	<u>\$ 21.7</u>	<u>\$ 21.3</u>
CONSUMER COUNSEL AND PUBLIC UTILITY FUND		
Regulation and Protection	\$ 21.2	\$ 21.0
Total - Consumer Counsel and Public Utility Fund	<u>\$ 21.2</u>	<u>\$ 21.0</u>
WORKERS' COMPENSATION FUND		
Regulation and Protection	\$ 24.7	\$ 24.3
Total - Workers' Compensation Fund	<u>\$ 24.7</u>	<u>\$ 24.3</u>
CRIMINAL INJURIES COMPENSATION FUND		
Judicial	\$ 1.5	\$ 1.5
Total - Criminal Injuries Compensation Fund	<u>\$ 1.5</u>	<u>\$ 1.5</u>
TOTAL NET APPROPRIATIONS - ALL FUNDS	<u>\$ 13,518.0</u>	<u>\$ 13,489.6</u>

GENERAL FUND - SUMMARY OF 2002-03 RECOMMENDATIONS

(In Millions)

Projected 2002-03 Revenues

Estimated 2002-03 Revenue - Current Law	\$ 11,906.2	\$
Proposed Revenue Changes	<u>482.0</u>	
Available Resources - 2002-03		12,388.2

Projected 2002-03 Expenditures

Original Appropriation - 2002-03		12,431.4
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Increase/Decrease

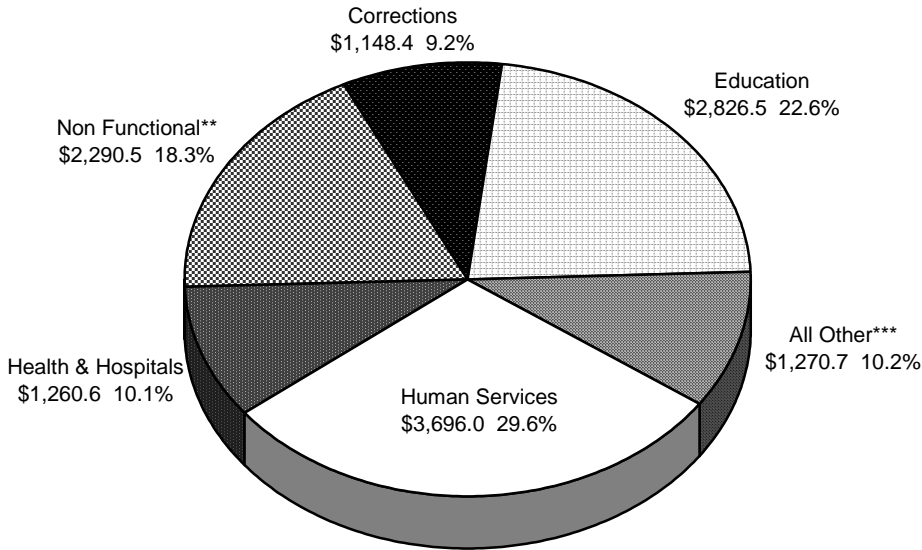
Office of Policy and Management		
Distressed Municipalities	2.7	
Drug Enforcement Program	(2.0)	
PILOT New Manufacturing & Equipment	(1.3)	
Office of Workforce Competitiveness- Jobs Funnel Projects	1.0	
Department of Public Safety	4.4	
Department of Economic & Community Development		
Tax Abatement	(2.2)	
Payment in Lieu of Taxes	(2.9)	
Private Provider Supplemental Rates	3.0	
Department of Public Health		
Community Health Services	(1.4)	
Department of Mental Retardation		
Early Intervention	1.4	
Employment Opportunities and Day Services	1.2	
Community Residential Services	3.2	
Department of Mental Health and Addiction Services		
Personnel Services	(4.1)	
GA Managed Care	(4.0)	
Reallocate Funding for Private Providers COLAs	(2.8)	
Department of Social Services		
HUSKY Outreach and Data Collection	(4.0)	
Medicaid	34.3	
Aid to the Aged and Disabled	(4.5)	
Temporary Assistance to Families - TANF	9.6	
Connecticut Pharmaceutical Assistance Contract to the Elderly	(10.7)	
Connecticut Home Care Program	1.9	
Transitional Rental Assistance	(2.4)	
Energy Assistance	(2.1)	
Child Care Services-TANF/CCDBG	(2.6)	
DSH-Urban Hospitals	15.0	
Department of Education		
Personal Services	3.1	
Education Equalization Grants	(46.0)	
Excess Cost - Equity	(7.5)	
CT Independent College Student Grant	(2.3)	
University of Connecticut	(5.1)	
University of Connecticut Health Center	(1.0)	
Regional Community-Technical Colleges	(5.0)	
Connecticut State University	(2.8)	
Department of Correction	6.1	
Department of Children and Families	4.7	
Debt Service	(21.0)	
Reserve for Salary Adjustments	11.6	
Workers' Compensation Claims-DAS	1.7	
All Other - Net	<u>(10.8)</u>	
Total Increases/(Decreases)		(43.6)
Total Projected Expenditures 2002-03		12,387.8
Projected Balance - June 30, 2003		<u>0.4</u>

GENERAL FUND REVISED APPROPRIATIONS FY 2002-03

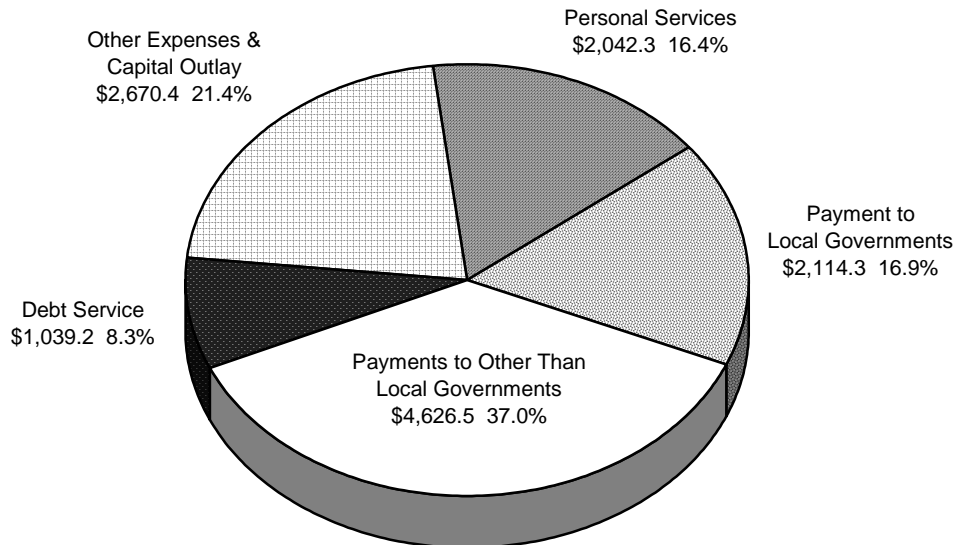
(In Millions of Dollars)

Total \$12,387.8 Million*

BY FUNCTION OF GOVERNMENT



BY MAJOR OBJECT



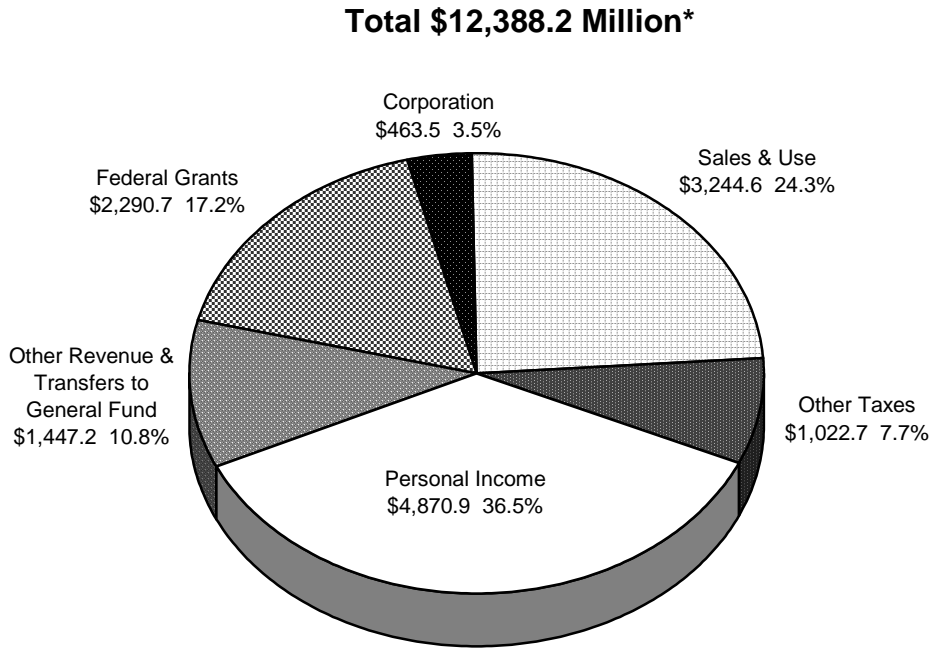
*Net General Fund appropriations are \$12,387.8 million after estimated lapses and savings totaling \$104.9 million. Individual pie pieces will total \$12,492.7 million.

**Non Functional includes debt service, state employee fringe benefits and various miscellaneous accounts.

***All Other includes: Legislative (\$63.2 0.5%), General Government (\$465.2 3.7%), Regulation and Protection (\$234.3 1.9%), Conservation and Development (\$73.2 0.6%), Transportation (\$35.0 0.3%), and Judicial (\$399.7 3.2%).

GENERAL FUND ESTIMATED REVENUES FY 2002-03

(In Millions of Dollars)



*Net Revenues are estimated at \$12,388.2 million. Refunds of Taxes are estimated at \$808.9 million, Refunds of Payments at \$0.5 million, Research & Development Credit Exchange at \$20.0 million and Transfers to Other Funds at \$122.0 million. Pie pieces total \$13,339.6 million.

GENERAL FUND REVENUE

(In Millions)

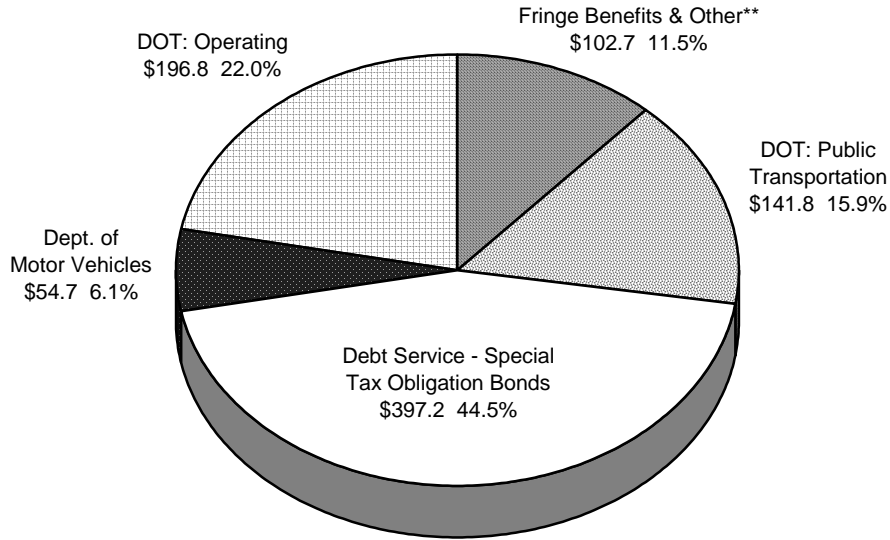
	Actual Revenue 2000-01	Estimated Revenue At Current Rates 2001-02	Proposed Revenue Changes 2001-02	Net Projected Revenue 2001-02	Projected Revenue At Current Rates 2002-03
<u>Taxes</u>					
Personal Income Tax	\$ 4,744.2	\$ 4,652.0	\$ -	\$ 4,652.0	\$ 4,862.9
Sales & Use Tax	3,125.1	3,089.8	2.0	3,091.8	3,229.6
Corporation Tax	550.5	431.2	-	431.2	463.5
Public Service Tax	180.5	181.4	-	181.4	184.0
Inheritance & Estate Tax	252.8	160.0	-	160.0	129.0
Insurance Companies Tax	191.1	192.0	14.0	206.0	194.1
Cigarettes Tax	119.5	117.0	40.5	157.5	115.0
Real Estate Conveyance Tax	112.3	110.0	-	110.0	105.0
Oil Companies Tax	64.5	42.0	-	42.0	46.5
Alcoholic Beverages Tax	41.2	41.0	-	41.0	41.9
Admissions & Dues Tax	25.8	25.3	-	25.3	26.7
Miscellaneous Tax	35.1	36.1	-	36.1	35.3
Total Taxes	<u>\$ 9,442.6</u>	<u>\$ 9,077.8</u>	<u>\$ 56.5</u>	<u>\$ 9,134.3</u>	<u>\$ 9,433.5</u>
Less Refunds of Tax	(735.5)	(782.5)	-	(782.5)	(808.9)
Less R&D Credit Exchange	-	(16.0)	-	(16.0)	(20.0)
Total - Taxes Less Refunds	<u>\$ 8,707.1</u>	<u>\$ 8,279.3</u>	<u>\$ 56.5</u>	<u>\$ 8,335.8</u>	<u>\$ 8,604.6</u>
<u>Other Revenue</u>					
Transfers-Special Revenue	\$ 258.2	\$ 279.2	\$ -	\$ 279.2	\$ 273.0
Indian Gaming Payments	332.4	380.0	-	380.0	399.0
Licenses, Permits, Fees	124.3	128.2	-	128.2	125.0
Sales of Commodities & Services	31.3	28.8	-	28.8	30.8
Rents, Fines & Escheats	48.2	51.2	-	51.2	53.4
Investment Income	67.9	34.1	-	34.1	49.8
Miscellaneous	125.6	115.1	-	115.1	118.7
Less Refunds of Payments	-	(0.5)	-	(0.5)	(0.5)
Total - Other Revenue	<u>\$ 987.9</u>	<u>\$ 1,016.1</u>	<u>\$ -</u>	<u>\$ 1,016.1</u>	<u>\$ 1,049.2</u>
<u>Other Sources</u>					
Federal Grants	\$ 2,237.1	\$ 2,158.8	\$ -	\$ 2,158.8	\$ 2,238.4
Transfer From Tobacco Settlement Fund	138.8	120.0	-	120.0	121.0
Transfers to the Resources of G.F.	-	-	212.8	212.8	-
Transfers From (To) Other Funds	(85.4)	(147.7)	-	(147.7)	(107.0)
Total - Other Sources	<u>\$ 2,290.5</u>	<u>\$ 2,131.1</u>	<u>\$ 212.8</u>	<u>\$ 2,343.9</u>	<u>\$ 2,252.4</u>
Total - General Fund Revenues	\$11,985.5	\$11,426.5	\$ 269.3	\$11,695.8	\$11,906.2

Proposed Revenue Changes <u>2002-03</u>	Net Projected Revenue <u>2002-03</u>	<u>Explanation of Changes</u>
\$ 8.0	\$ 4,870.9	<u>Personal Income Tax</u> Defer the increase in the singles exemption for 2 years and exempt the income of the victims of September 11 th .
15.0	3,244.6	<u>Sales & Use Tax</u> Defer phase down of the exemption for computer/data processing services, additional revenue due to the change in the Cigarette Tax.
-	463.5	
-	184.0	
-	129.0	
15.6	209.7	<u>Insurance Companies Tax</u> Convert the HMO tax credit to an appropriation.
122.0	237.0	
-	105.0	
5.0	51.5	<u>Cigarette Tax</u> Increase tax to \$1.11 per pack, effective April 1, 2002.
-	41.9	
-	26.7	
2.6	37.9	<u>Oil Companies Tax</u> Various modifications to reduce transfers to other funds.
<u>\$ 168.2</u>	<u>\$ 9,601.7</u>	
-	(808.9)	<u>Miscellaneous Taxes</u> Defer phase down of the Gift Tax for 2 years.
-	(20.0)	
<u>\$ 168.2</u>	<u>\$ 8,772.8</u>	
		<u>Licenses, Permits, & Fees</u> Various minor changes.
\$ -	\$ 273.0	
-	399.0	<u>Rent, Fines and Escheats</u> Escheat unclaimed bottle deposits to the state.
2.5	127.5	
-	30.8	
15.0	68.4	<u>Federal Grants</u> Convert the HMO tax credit to an appropriation and other changes based on recommendations.
-	49.8	
-	118.7	
-	(0.5)	<u>Tobacco Settlement</u> Redirect FY2003 transfers to the Tobacco and Health and Biomedical Research Trust Funds to the General Fund.
<u>\$ 17.5</u>	<u>\$ 1,066.7</u>	
		<u>Transfers To The Resources Of The General Fund</u> November 2001 Special Session changes, additional FY2001 surplus, transfers from quasi-public sources, Anthem demutualization, Tobacco funds and others.
\$ 52.3	\$ 2,290.7	
16.0	137.0	
243.0	243.0	
(15.0)	(122.0)	
<u>\$ 296.3</u>	<u>\$ 2,548.7</u>	
		<u>Transfers From (To) Other Funds</u> Replace surplus funds for the Mashantucket Pequot and Mohegan Grant to towns.
\$ 482.0	\$12,388.2	

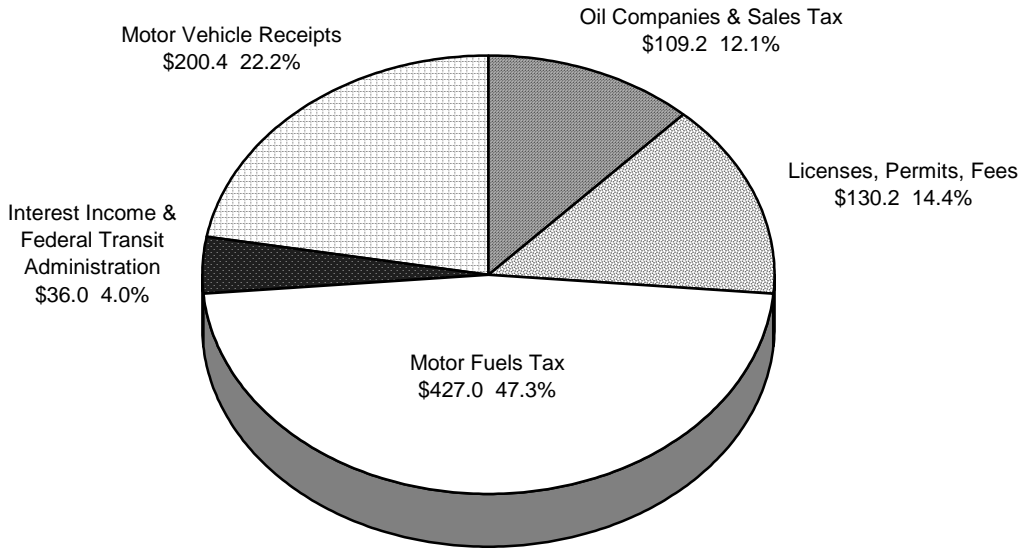
SPECIAL TRANSPORTATION FUND FY 2002-03

(In Millions of Dollars)

REVISED APPROPRIATIONS – TOTAL \$878.2 MILLION*



ESTIMATED REVENUES – TOTAL \$883.8 MILLION***



*Net Special Transportation Fund appropriations are \$878.2 million after an estimated lapse of \$15.0 million. Individual pie pieces will total \$893.2 million.

**Fringe Benefits & Other includes: State employee fringe benefits (\$76.2), General Obligation Debt Service (\$17.3), State Insurance and Risk Management Board (\$2.5), and other miscellaneous accounts (\$6.7).

***Net Special Transportation Fund revenues are estimated at \$883.8 million. Refunds of Taxes are estimated at \$7.7 million, Transfers to Other Funds at \$8.5 million and Refunds of Payments at \$2.8 million. Pie pieces total \$902.8 million.

SPECIAL TRANSPORTATION FUND REVENUE

(In Millions)

	Actual Revenue <u>2000-01</u>	Estimated Revenue At Current Rates <u>2001-02</u>	Proposed Revenue Changes <u>2001-02</u>	Net Projected Revenue <u>2001-02</u>	Projected Revenue At Current Rates <u>2002-03</u>	Proposed Revenue Changes <u>2002-03</u>
<u>Taxes</u>						
Motor Fuels Tax	\$ 417.5	\$ 423.8	\$ -	\$ 423.8	\$ 427.0	\$ -
Oil Companies Tax	46.0	46.0	-	46.0	46.0	(1.0)
Sales Tax - DMV	60.1	63.6	-	63.6	64.2	-
Total Taxes	\$ 523.6	\$ 533.4	\$ -	\$ 533.4	\$ 537.2	\$ (1.0)
Less Refunds of Taxes	(7.6)	(7.6)	-	(7.6)	(7.7)	-
Total - Taxes Less Refunds	\$ 516.0	\$ 525.8	\$ -	\$ 525.8	\$ 529.5	\$ (1.0)
<u>Other Sources</u>						
Motor Vehicle Receipts	\$ 196.4	\$ 198.6	\$ -	\$ 198.6	\$ 200.4	\$ -
Licenses, Permits, Fees	115.2	124.1	-	124.1	130.2	-
Interest Income	43.9	39.5	-	39.5	33.0	-
Federal Transit Administration	3.3	3.3	-	3.3	3.0	-
Transfers From (To) Other Funds	(3.0)	(9.5)	-	(9.5)	(9.5)	1.0
Less Refunds of Payments	-	(2.8)	-	(2.8)	(2.8)	-
Total - Other Sources	\$ 355.8	\$ 353.2	\$ -	\$ 353.2	\$ 354.3	\$ 1.0
Total - STF Revenues	\$ 871.8	\$ 879.0	\$ -	\$ 879.0	\$ 883.8	\$ -

Explanation of Changes**Oil Companies Tax**

Reduce the transfer from the Oil Companies Tax.

Transfers From (To) Other Funds

Reduce the transfer to the Conservation Fund.

Net
Projected
Revenue
2002-03
\$ 427.0
45.0
64.2
\$ 536.2
(7.7)
\$ 528.5

\$ 200.4
130.2
33.0
3.0
(8.5)
(2.8)
\$ 355.3

\$ 883.8

SPECIAL TRANSPORTATION FUND - STATEMENT OF FINANCIAL CONDITION

(In Millions of Dollars)

	2001	2002	2003	2004	2005	2006
Actual & Projected Revenues						
Motor Fuels Tax, Motor Vehicle Receipts,						
Licenses, Permits, Fees	\$729.1	\$746.5	\$757.6	\$766.8	\$772.3	\$771.0
Sales Tax - DMV	60.1	63.6	64.2	65.6	67.1	68.6
Oil Companies Tax	46.0	46.0	46.0	46.0	46.0	46.0
Federal Transit Administration (FTA)	3.3	3.3	3.0	3.0	3.0	3.0
Interest Income	43.9	39.5	33.0	34.6	34.6	34.6
Transfers from / (to) Other Funds	(3.0)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
Total Revenues	879.4	889.4	894.3	906.5	913.5	913.7
Refunds of Taxes	(7.6)	(10.4)	(10.5)	(10.6)	(10.8)	(11.0)
Total Net Revenues	\$871.8	\$879.0	\$883.8	\$895.9	\$902.7	\$902.7
Projected Debt Service and Expenditures						
Projected Debt Service on the Bonds	\$366.1	\$380.7	\$397.3	\$417.4	\$429.8	\$437.9
Projected Debt Service on Transportation related General Obligation Bonds	29.2	21.1	17.3	13.8	4.5	4.5
DOT Budgeted Expenses	296.8	303.3	322.6	331.0	339.6	347.7
DMV Budgeted Expenses	49.6	52.4	54.9	58.1	59.6	59.9
Other Budget Expenses	68.6	81.4	85.3	88.2	91.4	94.7
Program Costs Paid from Current Operations	16.0	16.0	16.0	16.4	16.8	17.2
Estimated Unallocated Lapses	0.0	(10.6)	(15.0)	(15.0)	(15.0)	(15.0)
Total Expenditures	\$826.3	\$844.3	\$878.4	\$909.9	\$926.7	\$946.9
Projected Excess (Deficiency)	\$45.5	\$34.7	\$5.4	(\$14.0)	(\$24.0)	(\$44.2)
Cumulative Projected Excess (Deficiency)	\$135.7	\$170.4	\$175.8	\$161.8	\$137.8	\$93.6
Proposed Revenue Changes						
Reduce transfer from Oil Companies Tax	-	-	(1.0)	(1.0)	(1.0)	(1.0)
Reduce transfer to Conservation Fund	-	-	1.0	1.0	1.0	1.0
Total Revenue Changes	0.0	0.0	0.0	0.0	0.0	0.0
Total Revised Revenues	\$871.8	\$879.0	\$883.8	\$895.9	\$902.7	\$902.7
Proposed Expenditure Changes						
Allow Advertising in DMV Renewal Notices	-	-	(0.2)	(0.2)	(0.2)	(0.2)
Total Expenditure Changes	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
Total Revised Expenditures	\$826.3	\$844.3	\$878.2	\$909.7	\$926.5	\$946.7
Revised Projected Excess (Deficiency)	\$45.5	\$34.7	\$5.6	(\$13.8)	(\$23.8)	(\$44.0)
Revised Cumulative Excess (Deficiency)	\$135.7	\$170.4	\$176.0	\$162.2	\$138.4	\$94.4

FINANCIAL POSITION OF THE STATE

Actual June 30, 2001 and Estimated June 30, 2002 and June 30, 2003

(in Millions)

	General Fund	Special Transportation Fund	Budget Reserve Fund
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2000	\$ -	\$ 90.2	\$ 564.0
Income: 2000-2001			
Revenues, Actual	11,985.5	871.8	-
TOTAL - Income	11,985.5	871.8	-
TOTAL AVAILABLE RESOURCES	\$ 11,985.5	\$ 962.0	\$ 564.0
Outlay: 2000-2001			
Actual Expenditures	11,954.8	826.3	-
TOTAL - Outlay - Net	11,954.8	826.3	-
Surplus/Deficit	30.7	45.5	-
Transfer to Budget Reserve Fund	(30.7)		30.7
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2001	\$ -	\$ 135.7	\$ 594.7
Income: 2001-2002			
Revenues, Estimated	11,426.5	879.0	-
Proposed Change	269.3		-
TOTAL - Income	11,695.8	879.0	-
TOTAL AVAILABLE RESOURCES	\$ 11,695.8	\$ 1,014.7	\$ 594.7
Outlay: 2001-2002			
Estimated Expenditures	11,898.7	854.9	-
Estimated Lapses	(89.5)	(10.6)	-
TOTAL - Outlay - Net	11,809.2	844.3	-
Surplus/Deficit from Operations	(113.4)	34.7	-
Surplus Adjustment	(9.2)		-
Revised Surplus/Deficit	(122.6)		-
Governor's Recommended Revisions			
Transfer from Budget Reserve Fund	122.6		(122.6)
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2002	\$ -	\$ 170.4	\$ 472.1
Income: 2002-2003			
Revenues, Estimated	12,388.2	883.8	-
TOTAL - Income	12,388.2	883.8	-
TOTAL AVAILABLE RESOURCES	\$ 12,388.2	\$ 1,054.2	\$ 472.1
Outlay: 2002-2003			
Recommended Appropriations	12,492.7	893.2	-
Estimated Lapses	(104.9)	(15.0)	-
TOTAL - Outlay - Net	12,387.8	878.2	-
Surplus/Deficit	0.4	5.6	-
Transfer to Budget Reserve Fund	(0.4)		0.4
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2003	\$ -	\$ 176.0	\$ 472.5

FINANCIAL POSITION OF THE STATE

Actual June 30, 2001 and Estimated June 30, 2002 and June 30, 2003

(in Millions)

	Tobacco Settlement Fund	Tobacco and Health Trust Fund	Biomedical Research Trust Fund
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2000	\$ 47.1	\$ 20.0	\$ -
Income: 2000-2001			
Revenues, Actual	111.2	19.5	
Interest Income	1.4	1.6	
TOTAL - Income	112.6	21.1	-
TOTAL AVAILABLE RESOURCES	\$ 159.7	\$ 41.1	\$ -
Outlay: 2000-2001			
Transfer to Tobacco and Health Trust Fund	(19.5)		
Transfer to General Fund	(138.8)		
TOTAL - Outlay - Net	(158.3)	-	-
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2001	\$ 1.4	\$ 41.1	\$ -
Income: 2001-2002			
Revenues, Estimated	136.0	13.6	4.0
Interest Income	0.2	0.9	
TOTAL - Income	136.2	14.5	4.0
TOTAL AVAILABLE RESOURCES	\$ 137.6	\$ 55.6	\$ 4.0
Outlay: 2001-2002			
Transfer to Tobacco and Health Trust Fund	(13.6)		
Transfer to Biomedical Research Trust Fund	(4.0)		
Transfer to General Fund	(120.0)	(4.9)	
Estimated Expenditures		(0.8)	
TOTAL - Outlay - Net	(137.6)	(5.7)	-
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2002	\$ -	\$ 49.9	\$ 4.0
Income: 2002-2003			
Revenues, Estimated	137.0	0.2	
Interest Income	0.2	0.6	
TOTAL - Income	137.2	0.8	-
TOTAL AVAILABLE RESOURCES	\$ 137.2	\$ 50.7	\$ 4.0
Outlay: 2002-2003			
Transfer to Tobacco and Health Trust Fund	(0.2)		
Transfer to Biomedical Research Trust Fund			
Transfer to General Fund	(137.0)	(39.6)	(4.0)
Estimated Expenditures		(0.4)	
TOTAL - Outlay - Net	(137.2)	(40.0)	(4.0)
UNAPPROPRIATED SURPLUS/(DEFICIT): 6/30/2003	\$ -	\$ 10.7	\$ -

FINANCIAL POSITION OF THE STATE

Actual June 30, 2001 and Estimated June 30, 2002 and June 30, 2003

	Mashantucket Pequot and Mohegan Fund	Soldiers', Sailors', and Marines' Fund *	Regional Market Operation Fund	Criminal Injuries Compensation Fund
FUND BALANCE: 6/30/2000	\$ 45,008,706	\$ 57,517,049	\$ 539,536	\$ 971,790
Income: 2000-2001				
Transfer from Other Funds	85,400,000			
Revenues, Actual		3,464,596	879,697	1,825,094
Federal and Private Contributions				309
STIF Earnings		8,382	34,491	55,468
Miscellaneous Adjustments				58,335
TOTAL - Income	85,400,000	3,472,978	914,188	1,939,206
TOTAL AVAILABLE RESOURCES	\$ 130,408,706	\$ 60,990,027	\$ 1,453,724	\$ 2,910,996
Outlay: 2000-2001				
Actual Expenditures	130,094,559	3,090,503	787,343	1,628,816
TOTAL - Outlay	130,094,559	3,090,503	787,343	1,628,816
FUND BALANCE: 6/30/2001	\$ 314,147	\$ 57,899,524	\$ 666,381	\$ 1,282,180
Income: 2001-2002				
Transfer from Other Funds	147,700,000			
Revenues, Estimated		3,500,000	902,200	1,825,094
Federal and Private Contributions				309
STIF Earnings		12,000	13,657	63,318
Miscellaneous Adjustments				58,335
TOTAL - Income	147,700,000	3,512,000	915,857	1,947,056
TOTAL AVAILABLE RESOURCES	\$ 148,014,147	\$ 61,411,524	\$ 1,582,238	\$ 3,229,236
Outlay: 2001-2002				
Estimated Expenditures	135,000,000	3,403,191	885,715	1,500,000
TOTAL - Outlay	135,000,000	3,403,191	885,715	1,500,000
FUND BALANCE: 6/30/2002	\$ 13,014,147	\$ 58,008,333	\$ 696,523	\$ 1,729,236
Income: 2002-2003				
Revenues, Estimated		3,700,000	1,000,000	1,500,000
TOTAL - Income	122,000,000	3,700,000	1,000,000	1,500,000
TOTAL AVAILABLE RESOURCES	\$ 135,014,147	\$ 61,708,333	\$ 1,696,523	\$ 3,229,236
Outlay: 2002-2003				
Estimated Expenditures	135,000,000	3,634,714	930,584	1,500,000
TOTAL - Outlay	135,000,000	3,634,714	930,584	1,500,000
FUND BALANCE: 6/30/2003	\$ 14,147	\$ 58,073,619	\$ 765,939	\$ 1,729,236

* Per C.G.S. Sec 27-138, only interest on the fund is available for agency operations.

FINANCIAL POSITION OF THE STATE

Actual June 30, 2001 and Estimated June 30, 2002 and June 30, 2003

		Banking Fund	Insurance Fund	Consumer Counsel & Public Utility Control Fund	Workers' Compensation Fund
FUND BALANCE: 6/30/2000	\$	19,056,747	\$ 9,275,053	\$ 6,230,654	\$ 13,380,451
Income: 2000-2001					
Revenues, Actual		<u>16,488,701</u>	<u>18,558,044</u>	<u>17,462,869</u>	<u>20,780,680</u>
TOTAL - Income		16,488,701	18,558,044	17,462,869	20,780,680
TOTAL AVAILABLE RESOURCES	\$	35,545,448	\$ 27,833,097	\$ 23,693,523	\$ 34,161,131
Outlay: 2000-2001					
Actual Expenditures		<u>13,105,275</u>	<u>18,598,817</u>	<u>17,769,427</u>	<u>20,771,887</u>
TOTAL - Outlay		13,105,275	18,598,817	17,769,427	20,771,887
FUND BALANCE: 6/30/2001	\$	22,440,173	\$ 9,234,280	\$ 5,924,096	\$ 13,389,244
Income: 2001-2002					
Revenues, Estimated		<u>15,000,000</u>	<u>21,500,000</u>	<u>20,500,000</u>	<u>23,500,000</u>
TOTAL - Income		15,000,000	21,500,000	20,500,000	23,500,000
TOTAL AVAILABLE RESOURCES	\$	37,440,173	\$ 30,734,280	\$ 26,424,096	\$ 36,889,244
Outlay: 2001-2002					
Estimated Expenditures		<u>14,970,204</u>	<u>21,487,530</u>	<u>20,430,233</u>	<u>23,407,061</u>
TOTAL - Outlay		14,970,204	21,487,530	20,430,233	23,407,061
FUND BALANCE: 6/30/2002	\$	22,469,969	\$ 9,246,750	\$ 5,993,863	\$ 13,482,183
Income: 2002-2003					
Revenues, Estimated		<u>16,000,000</u>	<u>21,400,000</u>	<u>21,100,000</u>	<u>24,300,000</u>
TOTAL - Income		16,000,000	21,400,000	21,100,000	24,300,000
TOTAL AVAILABLE RESOURCES	\$	38,469,969	\$ 30,646,750	\$ 27,093,863	\$ 37,782,183
Outlay: 2002-2003					
Estimated Expenditures		<u>15,933,944</u>	<u>21,301,122</u>	<u>21,001,963</u>	<u>24,279,354</u>
TOTAL - Outlay		15,933,944	21,301,122	21,001,963	24,279,354
FUND BALANCE: 6/30/2003	\$	22,536,025	\$ 9,345,628	\$ 6,091,900	\$ 13,502,829

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
LEGISLATIVE					
LEGISLATIVE MANAGEMENT					
Personal Services	28,857,950	31,158,272	34,661,211		34,661,211
Other Expenses	13,485,635	13,706,987	14,805,374		14,805,374
Capital Outlay	1,584,412	1,132,250	876,000		876,000
Other Current Expenses	1,820,503	1,378,500	1,125,000		1,125,000
Pmts to Other Than Local Governments	242,686	256,000	265,350		265,350
TOTAL-General Fund	45,991,186	47,632,009	51,732,935		51,732,935
AUDITORS OF PUBLIC ACCOUNTS					
Personal Services	6,782,605	7,624,698	8,727,197		8,727,197
Other Expenses	921,737	603,582	610,409		610,409
Capital Outlay	104,188	133,504	134,504		134,504
TOTAL-General Fund	7,808,530	8,361,784	9,472,110		9,472,110
COMMISSION ON THE STATUS OF WOMEN					
Personal Services	394,374	459,634	497,198		497,198
Other Expenses	113,898	118,900	124,860		124,860
Capital Outlay	2,500	2,500	2,625		2,625
TOTAL-General Fund	510,772	581,034	624,683		624,683
COMMISSION ON CHILDREN					
Personal Services	369,033	452,585	484,875		484,875
Other Expenses	118,378	95,150	99,775		99,775
Capital Outlay		2,500	2,625		2,625
Other Current Expenses	40,000	40,000	40,000		40,000
TOTAL-General Fund	527,411	590,235	627,275		627,275
LATINO & PUERTO RICAN AFFAIRS COMM					
Personal Services	208,464	285,469	316,251		316,251
Other Expenses	75,817	83,005	85,690		85,690
Capital Outlay		5,250	5,250		5,250
TOTAL-General Fund	284,281	373,724	407,191		407,191
AFRICAN-AMERICAN AFFAIRS COMMISSION					
Personal Services	199,914	245,501	260,417		260,417
Other Expenses	80,351	91,050	92,800		92,800
Capital Outlay	3,866	2,500	2,500		2,500
TOTAL-General Fund	284,131	339,051	355,717		355,717
SUMMARY					
<u>Legislative</u>					
General Fund	55,406,311	57,877,837	63,219,911		63,219,911
TOTAL	55,406,311	57,877,837	63,219,911		63,219,911

GENERAL GOVERNMENT

GOVERNOR'S OFFICE

Personal Services	2,084,972	2,255,606	2,300,360		2,300,360
Other Expenses	299,494	289,479	289,479		289,479
Capital Outlay		100	100		100
Pmts to Other Than Local Governments	221,883	231,699	243,284		243,284
TOTAL-General Fund	2,606,349	2,776,884	2,833,223		2,833,223

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
SECRETARY OF THE STATE					
Personal Services	2,369,515	2,644,111	2,882,377		2,882,377
Other Expenses	1,321,478	554,222	1,256,996	-1,256,995	1
Capital Outlay		1,000	1,000		1,000
TOTAL-General Fund	<u>3,690,993</u>	<u>3,199,333</u>	<u>4,140,373</u>	<u>-1,256,995</u>	<u>2,883,378</u>
LIEUTENANT GOVERNOR'S OFFICE					
Personal Services	250,987	247,275	267,222	40,000	307,222
Other Expenses	51,670	51,688	51,688		51,688
Capital Outlay	3,561	100	100		100
TOTAL-General Fund	<u>306,218</u>	<u>299,063</u>	<u>319,010</u>	<u>40,000</u>	<u>359,010</u>
ELECTIONS ENFORCEMENT COMMISSION					
Personal Services	688,215	732,973	777,158		777,158
Other Expenses	75,829	80,477	80,477		80,477
Capital Outlay	1,000	1,000	1,000		1,000
TOTAL-General Fund	<u>765,044</u>	<u>814,450</u>	<u>858,635</u>		<u>858,635</u>
ETHICS COMMISSION					
Personal Services	672,741	731,419	756,638		756,638
Other Expenses	191,740	106,387	106,387		106,387
Capital Outlay		100	100		100
Other Current Expenses	43,790	42,000	42,000		42,000
TOTAL-General Fund	<u>908,271</u>	<u>879,906</u>	<u>905,125</u>		<u>905,125</u>
FREEDOM OF INFORMATION COMMISSION					
Personal Services	1,064,799	1,158,493	1,216,043		1,216,043
Other Expenses	96,367	123,909	124,909		124,909
Capital Outlay	1,000	1,000	1,000		1,000
TOTAL-General Fund	<u>1,162,166</u>	<u>1,283,402</u>	<u>1,341,952</u>		<u>1,341,952</u>
JUDICIAL SELECTION COMMISSION					
Personal Services	67,682	84,591	89,683		89,683
Other Expenses	20,120	20,323	20,727		20,727
Capital Outlay		100	100		100
TOTAL-General Fund	<u>87,802</u>	<u>105,014</u>	<u>110,510</u>		<u>110,510</u>
STATE PROPERTIES REVIEW BOARD					
Personal Services	329,418	345,039	363,933		363,933
Other Expenses	160,998	184,346	184,346		184,346
Capital Outlay	1,000	1,000	1,000		1,000
TOTAL-General Fund	<u>491,416</u>	<u>530,385</u>	<u>549,279</u>		<u>549,279</u>
STATE TREASURER					
Personal Services	2,970,332	3,350,230	3,662,260	-150,000	3,512,260
Other Expenses	402,249	416,876	416,404		416,404
Capital Outlay	5,000	1,000	1,000		1,000
TOTAL-General Fund	<u>3,377,581</u>	<u>3,768,106</u>	<u>4,079,664</u>	<u>-150,000</u>	<u>3,929,664</u>
STATE COMPROLLER					
Personal Services	14,349,659	15,815,050	16,611,027	-150,000	16,461,027
Other Expenses	2,392,380	3,179,080	3,305,488	-50,000	3,255,488
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	1,673,316		47,500	-47,500	
Pmts to Other Than Local Governments	19,570	19,570	19,570		19,570
TOTAL-General Fund	<u>18,435,925</u>	<u>19,014,700</u>	<u>19,984,585</u>	<u>-247,500</u>	<u>19,737,085</u>

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
DEPARTMENT OF REVENUE SERVICES					
Personal Services	47,998,239	50,854,861	52,811,229	-100,000	52,711,229
Other Expenses	9,938,101	10,159,689	10,278,819		10,278,819
Capital Outlay	50,000	1,000	1,000		1,000
Other Current Expenses	1,020,127	455,000	455,000		455,000
TOTAL-General Fund	59,006,467	61,470,550	63,546,048	-100,000	63,446,048
DIVISION OF SPECIAL REVENUE					
Personal Services	6,986,841	7,264,036	7,941,231	-313,946	7,627,285
Other Expenses	1,568,688	1,824,434	1,766,209	112,000	1,878,209
Capital Outlay	30,756	1,000	1,000		1,000
TOTAL-General Fund	8,586,285	9,089,470	9,708,440	-201,946	9,506,494
STATE INSURANCE AND RISK MANAGEMENT					
Personal Services	203,373	210,615	218,583		218,583
Other Expenses	7,687,008	9,351,238	8,922,742	2,217,940	11,140,682
Capital Outlay		100	1,000		1,000
Other Current Expenses	103,436	132,200	153,450		153,450
TOTAL-General Fund	7,993,817	9,694,153	9,295,775	2,217,940	11,513,715
Other Expenses	2,127,275	2,252,000	2,457,000		2,457,000
TOTAL-Special Transportation Fund	2,127,275	2,252,000	2,457,000		2,457,000
TOTAL-Appropriated Funds	10,121,092	11,946,153	11,752,775	2,217,940	13,970,715
GAMING POLICY BOARD					
Other Expenses	2,420	3,400	3,400		3,400
TOTAL-General Fund	2,420	3,400	3,400		3,400
OFFICE OF POLICY AND MANAGEMENT					
Personal Services	12,935,196	14,024,922	14,716,345		14,716,345
Other Expenses	3,268,061	1,986,086	1,986,086		1,986,086
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	13,100,510	8,237,250	8,191,712	-103,750	8,087,962
Pmts to Other Than Local Governments	22,511,581	13,311,196	21,714,348	-7,500,000	14,214,348
Pmts to Local Governments	164,936,675	118,338,824	125,446,053	-551	125,445,502
TOTAL-General Fund	216,753,023	155,899,278	172,055,544	-7,604,301	164,451,243
DEPARTMENT OF VETERANS' AFFAIRS					
Personal Services	20,096,728	21,920,195	23,253,633	-500,000	22,753,633
Other Expenses	5,726,172	5,906,995	5,906,995	238,591	6,145,586
Capital Outlay	1,000	2,000	1,000		1,000
TOTAL-General Fund	25,823,900	27,829,190	29,161,628	-261,409	28,900,219
Pmts to Other Than Local Governments	152,975	247,500	247,500		247,500
TOTAL-Soldiers', Sailors' and Marines' Fund	152,975	247,500	247,500		247,500
TOTAL-Appropriated Funds	25,976,875	28,076,690	29,409,128	-261,409	29,147,719
OFFICE OF WORKFORCE COMPETITIVENESS					
Personal Services	387,074	494,352	509,169		509,169
Other Expenses	437,617	500,000	500,000		500,000
Capital Outlay		1,800	1,800		1,800
Other Current Expenses	3,928,736	3,856,000	4,230,000	737,952	4,967,952
TOTAL-General Fund	4,753,427	4,852,152	5,240,969	737,952	5,978,921
DEPARTMENT OF ADMINISTRATIVE SERVICES					
Personal Services	17,291,792	18,233,073	19,749,515	-614,298	19,135,217
Other Expenses	2,699,414	2,881,613	2,881,613	-225,811	2,655,802

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	8,105,878	6,457,795	6,614,658	-249,508	6,365,150
TOTAL-General Fund	28,098,084	27,573,481	29,246,786	-1,089,617	28,157,169
DEPARTMENT OF INFORMATION TECHNOLOGY					
Personal Services	1,541,427	1,522,929	1,656,070	-54,131	1,601,939
Other Expenses	5,982,543	4,202,944	4,202,944		4,202,944
Capital Outlay	2,000	1,000	1,000		1,000
Other Current Expenses	14,793,489	3,727,233	1,980,359	-58,565	1,921,794
TOTAL-General Fund	22,319,459	9,454,106	7,840,373	-112,696	7,727,677
DEPARTMENT OF PUBLIC WORKS					
Personal Services	5,731,838	6,058,415	6,366,648		6,366,648
Other Expenses	16,183,359	15,956,972	15,940,393	377,809	16,318,202
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	21,733,220	18,523,222	18,795,805	220,213	19,016,018
TOTAL-General Fund	43,649,417	40,539,609	41,103,846	598,022	41,701,868
ATTORNEY GENERAL					
Personal Services	23,501,098	25,569,858	26,718,397		26,718,397
Other Expenses	1,905,359	1,275,387	1,278,012		1,278,012
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	1,190				
TOTAL-General Fund	25,408,647	26,846,245	27,997,409		27,997,409
OFFICE OF THE CLAIMS COMMISSIONER					
Personal Services	218,184	238,521	249,678		249,678
Other Expenses	24,368	31,258	31,258	20,000	51,258
Capital Outlay		100	100		100
Other Current Expenses	125,119	100,000	105,000		105,000
TOTAL-General Fund	367,671	369,879	386,036	20,000	406,036
DIVISION OF CRIMINAL JUSTICE					
Personal Services	32,084,384	35,229,519	37,120,001	-134,000	36,986,001
Other Expenses	3,284,932	2,766,139	2,734,707		2,734,707
Capital Outlay	45,529	622,500	387,500		387,500
Other Current Expenses	1,420,039	1,801,922	1,803,301		1,803,301
TOTAL-General Fund	36,834,884	40,420,080	42,045,509	-134,000	41,911,509
CRIMINAL JUSTICE COMMISSION					
Other Expenses	580	1,195	1,195		1,195
TOTAL-General Fund	580	1,195	1,195		1,195
SUMMARY					
<u>General Government</u>					
General Fund	511,429,846	446,714,031	472,755,314	-7,544,550	465,210,764
Special Transportation Fund	2,127,275	2,252,000	2,457,000		2,457,000
Soldiers', Sailors' and Marines' Fund	152,975	247,500	247,500		247,500
TOTAL	513,710,096	449,213,531	475,459,814	-7,544,550	467,915,264
REGULATION AND PROTECTION					
DEPARTMENT OF PUBLIC SAFETY					
Personal Services	90,488,448	106,594,405	111,157,998	1,500,000	112,657,998
Other Expenses	18,482,782	20,264,028	20,324,054	2,264,414	22,588,468

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
Capital Outlay	10,000	1,000	1,000		1,000
Other Current Expenses	11,996,230	11,172,838	10,816,586	658,781	11,475,367
Pmts to Other Than Local Governments	38,692	38,692	38,692		38,692
TOTAL-General Fund	121,016,152	138,070,963	142,338,330	4,423,195	146,761,525
POLICE STANDARDS & TRAINING COUNCIL					
Personal Services	1,522,339	1,673,315	1,749,394		1,749,394
Other Expenses	851,207	928,703	909,539	5,500	915,039
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses		50,000	50,000	-50,000	
Pmts to Other Than Local Governments	38,000				
TOTAL-General Fund	2,412,546	2,653,018	2,709,933	-44,500	2,665,433
BOARD OF FIREARMS PERMIT EXAMINERS					
Personal Services	58,570	62,496	65,496		65,496
Other Expenses	32,169	38,121	38,121		38,121
Capital Outlay		1,000	1,000		1,000
TOTAL-General Fund	90,739	101,617	104,617		104,617
DEPARTMENT OF MOTOR VEHICLES					
Personal Services	35,317,778	37,878,038	39,622,867	-98,004	39,524,863
Other Expenses	13,108,268	13,349,549	14,030,887	-49,337	13,981,550
Capital Outlay	622,185	664,979	641,064		641,064
Other Current Expenses	4,241,417	459,542	514,403	60,000	574,403
Pmts to Local Governments	225,000				
TOTAL-Special Transportation Fund	53,514,648	52,352,108	54,809,221	-87,341	54,721,880
MILITARY DEPARTMENT					
Personal Services	4,017,324	4,950,975	4,444,853	46,959	4,491,812
Other Expenses	2,373,353	2,161,237	2,056,247	107,469	2,163,716
Capital Outlay	933	1,000	1,000		1,000
Other Current Expenses	335,570	400,000	400,000	-400,000	
TOTAL-General Fund	6,727,180	7,513,212	6,902,100	-245,572	6,656,528
Other Current Expenses				225,000	225,000
TOTAL-Soldiers', Sailors' and Marines' Fund				225,000	225,000
TOTAL-Appropriated Funds	6,727,180	7,513,212	6,902,100	-20,572	6,881,528
COMM ON FIRE PREVENTION & CONTROL					
Personal Services	1,350,658	1,516,557	1,595,423		1,595,423
Other Expenses	590,005	612,898	612,898		612,898
Capital Outlay	1,000	1,000	1,000		1,000
Pmts to Other Than Local Governments	252,000	240,000	240,000		240,000
TOTAL-General Fund	2,193,663	2,370,455	2,449,321		2,449,321
DEPARTMENT OF BANKING					
Personal Services	7,855,875	8,517,902	9,078,375	-146,848	8,931,527
Other Expenses	1,745,679	2,390,399	2,390,399	367,548	2,757,947
Capital Outlay	171,280	147,858	134,100		134,100
Other Current Expenses	3,332,441	3,914,045	4,171,885	-61,515	4,110,370
TOTAL-Banking Fund	13,105,275	14,970,204	15,774,759	159,185	15,933,944
DEPARTMENT OF INSURANCE					
Personal Services	11,066,538	11,696,921	12,197,414	-258,031	11,939,383
Other Expenses	2,623,053	3,546,882	2,957,011		2,957,011
Capital Outlay	256,493	197,000	197,000		197,000
Other Current Expenses	4,652,733	5,360,474	5,604,980	-106,523	5,498,457

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
TOTAL-Insurance Fund	18,598,817	20,801,277	20,956,405	-364,554	20,591,851
OFFICE OF CONSUMER COUNSEL					
Personal Services	1,174,161	1,349,308	1,396,131	-61,599	1,334,532
Other Expenses	435,287	489,924	489,924		489,924
Capital Outlay	12,925	16,800	16,000		16,000
Other Current Expenses	466,541	760,841	786,095	-26,050	760,045
TOTAL-Consumer Counsel/Public Utility Fund	2,088,914	2,616,873	2,688,150	-87,649	2,600,501
DEPARTMENT OF PUBLIC UTILITY CONTROL					
Personal Services	9,803,859	10,701,969	11,181,376	-85,533	11,095,843
Other Expenses	1,970,379	2,300,508	2,300,228	-25,467	2,274,761
Capital Outlay	78,365	182,790	189,810	-5,776	184,034
Other Current Expenses	3,827,910	4,628,093	4,883,628	-36,804	4,846,824
TOTAL-Consumer Counsel/Public Utility Fund	15,680,513	17,813,360	18,555,042	-153,580	18,401,462
OFFICE OF THE MANAGED CARE OMBUDSMAN					
Personal Services		272,772	289,643	10,726	300,369
Other Expenses		300,351	300,351	-17,300	283,051
Other Current Expenses		113,130	119,277	6,574	125,851
TOTAL-Insurance Fund		686,253	709,271		709,271
DEPARTMENT OF CONSUMER PROTECTION					
Personal Services	9,457,178	10,226,567	10,706,345	-293,327	10,413,018
Other Expenses	1,121,082	1,150,539	1,152,972		1,152,972
Capital Outlay		1,000	1,000		1,000
TOTAL-General Fund	10,578,260	11,378,106	11,860,317	-293,327	11,566,990
DEPARTMENT OF LABOR					
Personal Services	8,686,357	9,352,598	9,936,519	-217,800	9,718,719
Other Expenses	894,655	948,336	948,336		948,336
Capital Outlay	2,000	2,000	2,000		2,000
Other Current Expenses	43,361,664	42,312,975	43,125,421	-600,000	42,525,421
Pmts to Other Than Local Governments	95,089				
TOTAL-General Fund	53,039,765	52,615,909	54,012,276	-817,800	53,194,476
Other Current Expenses	638,418	690,244	706,810		706,810
TOTAL-Workers' Compensation Fund	638,418	690,244	706,810		706,810
TOTAL-Appropriated Funds	53,678,183	53,306,153	54,719,086	-817,800	53,901,286
OFFICE OF VICTIM ADVOCATE					
Personal Services	168,777	196,031	204,953	44,050	249,003
Other Expenses	24,395	38,513	40,129		40,129
Capital Outlay	378	3,000	1,000		1,000
TOTAL-General Fund	193,550	237,544	246,082	44,050	290,132
COMM-HUMAN RIGHTS & OPPORTUNITIES					
Personal Services	5,219,560	5,732,634	5,989,383	469,275	6,458,658
Other Expenses	651,157	568,867	568,867	47,500	616,367
Capital Outlay		1,000	1,000		1,000
Other Current Expenses	825,670	632,000	962,525	-955,525	7,000
TOTAL-General Fund	6,696,387	6,934,501	7,521,775	-438,750	7,083,025
OFFICE OF PROTECTION AND ADVOCACY					
Personal Services	2,109,768	2,323,783	2,470,155	-60,000	2,410,155
Other Expenses	392,722	428,274	434,547		434,547

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
Capital Outlay	1,000	1,800	1,000		1,000
TOTAL-General Fund	2,503,490	2,753,857	2,905,702	-60,000	2,845,702
OFFICE OF THE CHILD ADVOCATE					
Personal Services	365,112	478,522	500,290	54,800	555,090
Other Expenses	50,585	74,344	71,844		71,844
Capital Outlay		1,000	1,000		1,000
Other Current Expenses		65,631	67,500		67,500
TOTAL-General Fund	415,697	619,497	640,634	54,800	695,434
WORKERS' COMPENSATION COMMISSION					
Personal Services	8,439,112	9,358,437	9,867,856	-100,000	9,767,856
Other Expenses	2,911,662	3,545,576	3,554,183	-100,000	3,454,183
Capital Outlay	69,252	125,076	365,500		365,500
Other Current Expenses	8,713,443	9,687,728	10,242,444	-257,439	9,985,005
TOTAL-Workers' Compensation Fund	20,133,469	22,716,817	24,029,983	-457,439	23,572,544
SUMMARY					
<u>Regulation and Protection</u>					
General Fund	205,867,429	225,248,679	231,691,087	2,622,096	234,313,183
Special Transportation Fund	53,514,648	52,352,108	54,809,221	-87,341	54,721,880
Soldiers', Sailors' and Marines' Fund				225,000	225,000
Banking Fund	13,105,275	14,970,204	15,774,759	159,185	15,933,944
Insurance Fund	18,598,817	21,487,530	21,665,676	-364,554	21,301,122
Consumer Counsel/Public Utility Fund	17,769,427	20,430,233	21,243,192	-241,229	21,001,963
Workers' Compensation Fund	20,771,887	23,407,061	24,736,793	-457,439	24,279,354
TOTAL	329,627,483	357,895,815	369,920,728	1,855,718	371,776,446
CONSERVATION AND DEVELOPMENT					
DEPARTMENT OF AGRICULTURE					
Personal Services	3,697,076	3,964,317	4,229,527		4,229,527
Other Expenses	633,454	719,796	714,010		714,010
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	255,572	252,500	110,000		110,000
Pmts to Other Than Local Governments	192,562	197,782	492,782	-295,000	197,782
TOTAL-General Fund	4,779,664	5,135,395	5,547,319	-295,000	5,252,319
Personal Services	338,776	394,383	414,345	2,272	416,617
Other Expenses	277,935	305,000	313,000	27,000	340,000
Capital Outlay	1,000	16,000	30,000		30,000
TOTAL-Regional Market Operation Fund	617,711	715,383	757,345	29,272	786,617
TOTAL-Appropriated Funds	5,397,375	5,850,778	6,304,664	-265,728	6,038,936
DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Personal Services	30,617,361	33,254,384	34,123,514	150,000	34,273,514
Other Expenses	3,300,772	3,614,192	3,319,037	157,387	3,476,424
Capital Outlay	119,399	1,000	1,000	68,500	69,500
Other Current Expenses	13,062,693	2,066,493	2,086,422		2,086,422
Pmts to Other Than Local Governments	444,001	447,230	447,230		447,230
TOTAL-General Fund	47,544,226	39,383,299	39,977,203	375,887	40,353,090
COUNCIL ON ENVIRONMENTAL QUALITY					
Personal Services	116,223	123,243	129,625		129,625
Other Expenses	6,470	6,470	6,470		6,470
Capital Outlay	1,000				

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
TOTAL-General Fund	123,693	129,713	136,095		136,095
CONNECTICUT HISTORICAL COMMISSION					
Personal Services	940,795	1,018,636	1,118,940	-37,443	1,081,497
Other Expenses	97,013	97,099	96,573		96,573
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	87,839				
TOTAL-General Fund	1,126,647	1,116,735	1,216,513	-37,443	1,179,070
DEPT-ECONOMIC & COMMUNITY DEVELOP					
Personal Services	6,482,651	6,991,008	7,324,456		7,324,456
Other Expenses	3,290,081	3,085,227	3,086,872	-50,000	3,036,872
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	4,048,588	1,947,060	1,947,060	-20,000	1,927,060
Pmts to Other Than Local Governments	5,393,785	6,369,326	8,885,419	-1,084,625	7,800,794
Pmts to Local Governments	5,143,276		5,143,276	-5,143,276	
TOTAL-General Fund	24,359,381	18,393,621	26,388,083	-6,297,901	20,090,182
AGRICULTURAL EXPERIMENT STATION					
Personal Services	4,770,967	5,229,791	5,544,950	-14,320	5,530,630
Other Expenses	411,480	427,265	463,965		463,965
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	536,969	332,669	337,653	-125,000	212,653
TOTAL-General Fund	5,720,416	5,990,725	6,347,568	-139,320	6,208,248
SUMMARY					
<u>Conservation and Development</u>					
General Fund	83,654,027	70,149,488	79,612,781	-6,393,777	73,219,004
Regional Market Operation Fund	617,711	715,383	757,345	29,272	786,617
TOTAL	84,271,738	70,864,871	80,370,126	-6,364,505	74,005,621
HEALTH AND HOSPITALS					
DEPARTMENT OF PUBLIC HEALTH					
Personal Services	26,910,986	29,448,598	30,896,117	2,665,971	33,562,088
Other Expenses	6,790,763	6,880,166	6,355,166	801,650	7,156,816
Capital Outlay		1,000	1,000		1,000
Other Current Expenses	13,416,256	13,349,614	14,533,007	-467,651	14,065,356
Pmts to Other Than Local Governments	16,837,222	16,431,454	16,747,454	-1,706,393	15,041,061
Pmts to Local Governments	10,190,263	10,515,664	10,715,664	-141,016	10,574,648
TOTAL-General Fund	74,145,490	76,626,496	79,248,408	1,152,561	80,400,969
OFFICE OF HEALTH CARE ACCESS					
Personal Services	2,027,405	2,515,578	2,718,780	-2,718,780	
Other Expenses	394,418	415,368	434,368	-434,368	
Capital Outlay	1,000	2,000	2,000	-2,000	
Other Current Expenses	725,651				
TOTAL-General Fund	3,148,474	2,932,946	3,155,148	-3,155,148	
OFFICE OF THE CHIEF MEDICAL EXAMINER					
Personal Services	3,173,704	3,523,939	3,677,188		3,677,188
Other Expenses	1,749,932	534,764	530,664		530,664
Capital Outlay	7,500	7,500	7,500		7,500
Other Current Expenses		673,000	661,000		661,000
TOTAL-General Fund	4,931,136	4,739,203	4,876,352		4,876,352

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
DEPARTMENT OF MENTAL RETARDATION					
Personal Services	260,511,442	273,955,411	283,992,763	-667,910	283,324,853
Other Expenses	23,981,438	23,282,192	23,172,643	471,830	23,644,473
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	37,501,468	45,012,460	48,330,712	3,166,258	51,496,970
Pmts to Other Than Local Governments	332,703,151	356,591,436	366,498,084	4,473,176	370,971,260
TOTAL-General Fund	654,698,499	698,842,499	721,995,202	7,443,354	729,438,556
DEPT MENTAL HEALTH & ADDICTION SVS					
Personal Services	110,648,113	151,820,767	161,704,075	-4,051,164	157,652,911
Other Expenses	17,190,107	29,023,436	25,972,636	-11,864	25,960,772
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	124,086,926	134,657,566	161,118,448	-5,345,279	155,773,169
Pmts to Other Than Local Governments	103,233,515	104,148,849	108,706,868	-2,507,023	106,199,845
TOTAL-General Fund	355,159,661	419,651,618	457,503,027	-11,915,330	445,587,697
PSYCHIATRIC SECURITY REVIEW BOARD					
Personal Services	229,128	250,142	263,220		263,220
Other Expenses	47,706	50,522	50,522		50,522
Capital Outlay	1,000	1,000	1,000		1,000
TOTAL-General Fund	277,834	301,664	314,742		314,742
SUMMARY					
<u>Health and Hospitals</u>					
General Fund	1,092,361,094	1,203,094,426	1,267,092,879	-6,474,563	1,260,618,316
TOTAL	1,092,361,094	1,203,094,426	1,267,092,879	-6,474,563	1,260,618,316
TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
Pmts to Local Governments	34,856,862	35,000,000	35,000,000		35,000,000
TOTAL-General Fund	34,856,862	35,000,000	35,000,000		35,000,000
Personal Services	111,681,244	123,871,816	131,450,727		131,450,727
Other Expenses	35,804,177	31,194,864	31,142,486	2,697,032	33,839,518
Capital Outlay	15,032,189	5,850,000	5,850,000		5,850,000
Other Current Expenses	164,526,889	158,414,369	167,354,684	73,387	167,428,071
TOTAL-Special Transportation Fund	327,044,499	319,331,049	335,797,897	2,770,419	338,568,316
TOTAL-Appropriated Funds	361,901,361	354,331,049	370,797,897	2,770,419	373,568,316
SUMMARY					
<u>Transportation</u>					
General Fund	34,856,862	35,000,000	35,000,000		35,000,000
Special Transportation Fund	327,044,499	319,331,049	335,797,897	2,770,419	338,568,316
TOTAL	361,901,361	354,331,049	370,797,897	2,770,419	373,568,316
HUMAN SERVICES					
DEPARTMENT OF SOCIAL SERVICES					
Personal Services	104,492,573	112,138,300	117,379,410	4,932,100	122,311,510
Other Expenses	47,144,754	46,471,567	46,397,215	43,622,377	90,019,592
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	60,486,037	72,331,600	79,063,725	-48,350,569	30,713,156

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
Pmts to Other Than Local Governments	3,310,742,361	3,287,824,951	3,411,425,832	36,071,715	3,447,497,547
Pmts to Local Governments	14,595,197	5,453,624	5,553,624	-96,224	5,457,400
TOTAL-General Fund	3,537,461,922	3,524,221,042	3,659,820,806	36,179,399	3,696,000,205
SOLDIERS', SAILORS' AND MARINES' FUND					
Personal Services	739,682	801,238	826,652	-38,464	788,188
Other Expenses	391,986	439,453	451,985	-15,459	436,526
Capital Outlay	11,535	15,000	7,500		7,500
Other Current Expenses	1,794,325	1,900,000	1,930,000		1,930,000
TOTAL-Soldiers', Sailors' and Marines' Fund	2,937,528	3,155,691	3,216,137	-53,923	3,162,214
SUMMARY					
Human Services					
General Fund	3,537,461,922	3,524,221,042	3,659,820,806	36,179,399	3,696,000,205
Soldiers', Sailors' and Marines' Fund	2,937,528	3,155,691	3,216,137	-53,923	3,162,214
TOTAL	3,540,399,450	3,527,376,733	3,663,036,943	36,125,476	3,699,162,419
EDUCATION					
DEPARTMENT OF EDUCATION					
Personal Services	102,906,412	109,594,085	117,508,537	3,140,785	120,649,322
Other Expenses	13,116,301	11,809,467	12,325,909	538,046	12,863,955
Capital Outlay		141,000	60,500		60,500
Other Current Expenses	57,271,351	17,702,848	19,197,663	-452,710	18,744,953
Pmts to Other Than Local Governments	39,628,946	40,588,060	43,599,179	-736,401	42,862,778
Pmts to Local Governments	1,956,861,470	1,763,031,417	1,832,199,398	-56,422,578	1,775,776,820
TOTAL-General Fund	2,169,784,480	1,942,866,877	2,024,891,186	-53,932,858	1,970,958,328
BD OF EDUC & SERVICES FOR THE BLIND					
Personal Services	4,364,647	5,129,151	5,325,390	89,600	5,414,990
Other Expenses	2,465,108	1,535,218	1,535,218		1,535,218
Capital Outlay	1,062	1,000	1,000		1,000
Other Current Expenses				7,476,945	7,476,945
Pmts to Other Than Local Governments	6,952,198	7,389,942	7,389,942	-5,863,053	1,526,889
Pmts to Local Governments	1,996,101	1,613,892	1,613,892	-1,613,892	
TOTAL-General Fund	15,779,116	15,669,203	15,865,442	89,600	15,955,042
COMM ON THE DEAF & HEARING IMPAIRED					
Personal Services	584,662	734,962	817,585	-50,000	767,585
Other Expenses	155,652	165,686	165,686		165,686
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	236,733	200,000	200,000		200,000
TOTAL-General Fund	978,047	1,101,648	1,184,271	-50,000	1,134,271
STATE LIBRARY					
Personal Services	5,993,661	6,201,124	6,432,563		6,432,563
Other Expenses	910,541	914,215	903,615		903,615
Capital Outlay	385,684	1,000	1,000		1,000
Other Current Expenses	1,438,102	1,735,665	1,823,097	542,352	2,365,449
Pmts to Other Than Local Governments	4,874,366	4,094,995	4,434,343	-340,332	4,094,011
Pmts to Local Governments	1,198,137	1,123,137	1,198,137	-75,000	1,123,137
TOTAL-General Fund	14,800,491	14,070,136	14,792,755	127,020	14,919,775

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
DEPARTMENT OF HIGHER EDUCATION					
Personal Services	2,211,654	2,212,537	2,374,446	-27,967	2,346,479
Other Expenses	195,705	210,134	210,134	-7,700	202,434
Capital Outlay	1,000		1,000		1,000
Other Current Expenses	10,807,577	3,951,087	4,076,087	-309,953	3,766,134
Pmts to Other Than Local Governments	44,927,580	44,074,187	43,957,372	-2,428,158	41,529,214
TOTAL-General Fund	58,143,516	50,447,945	50,619,039	-2,773,778	47,845,261
UNIVERSITY OF CONNECTICUT					
Other Current Expenses	179,170,207	186,315,872	203,860,050	-5,090,564	198,769,486
TOTAL-General Fund	179,170,207	186,315,872	203,860,050	-5,090,564	198,769,486
UNIV OF CONNECTICUT HEALTH CENTER					
Other Current Expenses	92,207,713	72,979,303	76,290,687	-1,000,876	75,289,811
TOTAL-General Fund	92,207,713	72,979,303	76,290,687	-1,000,876	75,289,811
CHARTER OAK STATE COLLEGE					
Other Current Expenses	3,743,773	1,822,260	1,979,263	406,348	2,385,611
TOTAL-General Fund	3,743,773	1,822,260	1,979,263	406,348	2,385,611
TEACHERS' RETIREMENT BOARD					
Personal Services	1,384,564	1,603,647	1,679,755		1,679,755
Other Expenses	659,751	736,415	762,046		762,046
Capital Outlay	1,000	1,000	1,000		1,000
Other Current Expenses	510,830				
Pmts to Other Than Local Governments	224,106,445	215,983,260	227,574,529	-800,000	226,774,529
TOTAL-General Fund	226,662,590	218,324,322	230,017,330	-800,000	229,217,330
REGIONAL COMMUNITY-TECHNICAL COLLEGES					
Other Current Expenses	115,586,774	121,509,083	131,544,991	-4,988,005	126,556,986
TOTAL-General Fund	115,586,774	121,509,083	131,544,991	-4,988,005	126,556,986
CONNECTICUT STATE UNIVERSITY					
Other Current Expenses	130,556,391	135,524,472	146,257,148	-2,825,529	143,431,619
TOTAL-General Fund	130,556,391	135,524,472	146,257,148	-2,825,529	143,431,619
SUMMARY					
<u>Education</u>					
General Fund	3,007,413,098	2,760,631,121	2,897,302,162	-70,838,642	2,826,463,520
TOTAL	3,007,413,098	2,760,631,121	2,897,302,162	-70,838,642	2,826,463,520
CORRECTIONS					
DEPARTMENT OF CORRECTION					
Personal Services	310,461,327	336,693,507	348,787,502	3,073,695	351,861,197
Other Expenses	65,855,727	69,606,828	68,651,710	317,749	68,969,459
Capital Outlay	315,982	289,246	99,604	121,000	220,604
Other Current Expenses	99,161,746	99,329,575	108,611,163	2,606,806	111,217,969
Pmts to Other Than Local Governments	18,156,537	19,082,753	19,997,551	5,237	20,002,788
TOTAL-General Fund	493,951,319	525,001,909	546,147,530	6,124,487	552,272,017
BOARD OF PARDONS					
Other Expenses	29,153	34,141	34,141		34,141
Capital Outlay		100	100		100
TOTAL-General Fund	29,153	34,241	34,241		34,241

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
BOARD OF PAROLE					
Personal Services	4,260,545	4,881,403	5,130,878	200,420	5,331,298
Other Expenses	1,067,978	1,241,729	1,247,829	105,450	1,353,279
Capital Outlay	49,042	17,400	16,609	8,300	24,909
Pmts to Other Than Local Governments	3,671,359	3,733,782	3,843,245	146,042	3,989,287
TOTAL-General Fund	9,048,924	9,874,314	10,238,561	460,212	10,698,773
DEPARTMENT OF CHILDREN AND FAMILIES					
Personal Services	182,094,889	203,301,175	214,554,699	-1,500,000	213,054,699
Other Expenses	26,623,695	32,486,311	31,201,153	5,177,382	36,378,535
Capital Outlay	1,000	237,000	1,000		1,000
Other Current Expenses	7,318,802	6,942,213	6,569,060	1,955,757	8,524,817
Pmts to Other Than Local Governments	263,116,497	307,234,770	322,585,094	-942,041	321,643,053
TOTAL-General Fund	479,154,883	550,201,469	574,911,006	4,691,098	579,602,104
COUNCIL TO ADMINISTER CHILDREN'S TRUST					
Other Current Expenses	4,607,169	5,219,040	6,341,951	-548,357	5,793,594
TOTAL-General Fund	4,607,169	5,219,040	6,341,951	-548,357	5,793,594
COUNTY SHERIFFS					
Personal Services	739,380	7	7		7
Other Expenses	347,208				
Other Current Expenses	11,174,026				
TOTAL-General Fund	12,260,614	7	7		7
SUMMARY					
<u>Corrections</u>					
General Fund	999,052,062	1,090,330,980	1,137,673,296	10,727,440	1,148,400,736
TOTAL	999,052,062	1,090,330,980	1,137,673,296	10,727,440	1,148,400,736
JUDICIAL					
JUDICIAL DEPARTMENT					
Personal Services	183,939,785	199,993,152	212,044,385	28,575,987	240,620,372
Other Expenses	51,221,083	54,733,945	57,895,719	3,602,432	61,498,151
Capital Outlay	2,137,787	2,580,915	2,191,808	50,000	2,241,808
Other Current Expenses	70,365,509	88,942,231	92,358,420	-31,885,860	60,472,560
TOTAL-General Fund	307,664,164	346,250,243	364,490,332	342,559	364,832,891
Other Current Expenses	1,628,283	1,500,000	1,500,000		1,500,000
TOTAL-Criminal Injuries Compensation Fund	1,628,283	1,500,000	1,500,000		1,500,000
TOTAL-Appropriated Funds	309,292,447	347,750,243	365,990,332	342,559	366,332,891
STATE MARSHAL COMMISSION					
Personal Services		164,605	173,383		173,383
Other Expenses		55,000	55,000		55,000
Capital Outlay		5,000	100		100
TOTAL-General Fund		224,605	228,483		228,483
PUBLIC DEFENDER SERVICES COMMISSION					
Personal Services	23,420,333	25,693,831	26,923,750	-24,806	26,898,944
Other Expenses	1,352,633	1,367,816	1,372,816		1,372,816
Capital Outlay	131,064	114,463	74,655		74,655
Other Current Expenses	5,999,883	6,295,517	6,299,807		6,299,807
TOTAL-General Fund	30,903,913	33,471,627	34,671,028	-24,806	34,646,222

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
SUMMARY					
<u>Judicial</u>					
General Fund	338,568,077	379,946,475	399,389,843	317,753	399,707,596
Criminal Injuries Compensation Fund	1,628,283	1,500,000	1,500,000		1,500,000
TOTAL	340,196,360	381,446,475	400,889,843	317,753	401,207,596
NON-FUNCTIONAL					
MISC APPROPRIATION TO THE GOVERNOR					
Other Current Expenses		17,100	17,100		17,100
TOTAL-General Fund		17,100	17,100		17,100
DEBT SERVICE - STATE TREASURER					
Pmts to Other Than Local Governments	973,554,431	1,000,438,238	1,060,161,318	-20,983,279	1,039,178,039
TOTAL-General Fund	973,554,431	1,000,438,238	1,060,161,318	-20,983,279	1,039,178,039
Pmts to Other Than Local Governments	395,351,115	401,789,466	418,206,121	-3,597,590	414,608,531
TOTAL-Special Transportation Fund	395,351,115	401,789,466	418,206,121	-3,597,590	414,608,531
Pmts to Other Than Local Governments	169,632	170,332	143,967		143,967
TOTAL-Regional Market Operation Fund	169,632	170,332	143,967		143,967
TOTAL-Appropriated Funds	1,369,075,178	1,402,398,036	1,478,511,406	-24,580,869	1,453,930,537
RESERVE FOR SALARY ADJUSTMENTS					
Other Current Expenses		34,771,700	34,046,700	11,625,400	45,672,100
TOTAL-General Fund		34,771,700	34,046,700	11,625,400	45,672,100
Other Current Expenses		6,054,600	1,454,600	1,809,800	3,264,400
TOTAL-Special Transportation Fund		6,054,600	1,454,600	1,809,800	3,264,400
TOTAL-Appropriated Funds		40,826,300	35,501,300	13,435,200	48,936,500
WORKERS' COMPENSATION CLAIMS					
Other Current Expenses	14,490,152	12,727,329	10,819,776	1,695,864	12,515,640
TOTAL-General Fund	14,490,152	12,727,329	10,819,776	1,695,864	12,515,640
Other Current Expenses	2,455,979	3,227,296	3,347,639	27,098	3,374,737
TOTAL-Special Transportation Fund	2,455,979	3,227,296	3,347,639	27,098	3,374,737
TOTAL-Appropriated Funds	16,946,131	15,954,625	14,167,415	1,722,962	15,890,377
JUDICIAL REVIEW COUNCIL					
Personal Services	115,631	119,315	121,895		121,895
Other Expenses	19,735	32,959	32,959		32,959
Capital Outlay		1,000	1,000		1,000
TOTAL-General Fund	135,366	153,274	155,854		155,854
REFUNDS OF PAYMENTS					
Other Expenses	345,322				
TOTAL-General Fund	345,322				
Other Expenses	3,086,906				
TOTAL-Special Transportation Fund	3,086,906				
TOTAL-Appropriated Funds	3,432,228				
FIRE TRAINING SCHOOLS					
Pmts to Other Than Local Governments	389,390	389,390	389,390		389,390
TOTAL-General Fund	389,390	389,390	389,390		389,390

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
MAINT COUNTY BASE FIRE RADIO NETWORK					
Pmts to Other Than Local Governments	21,850	21,850	21,850		21,850
TOTAL-General Fund	21,850	21,850	21,850		21,850
MAINT STATEWIDE FIRE RADIO NETWORK					
Pmts to Other Than Local Governments	14,570	14,570	14,570		14,570
TOTAL-General Fund	14,570	14,570	14,570		14,570
EQUAL GTS NONPROFIT GENERAL HOSPITALS					
Pmts to Other Than Local Governments	31	34	34		34
TOTAL-General Fund	31	34	34		34
POLICE ASSOCIATION OF CONNECTICUT					
Pmts to Other Than Local Governments	122,162	169,100	169,100		169,100
TOTAL-General Fund	122,162	169,100	169,100		169,100
CT STATE FIREFIGHTERS ASSOCIATION					
Pmts to Other Than Local Governments	92,423	197,676	197,676		197,676
TOTAL-General Fund	92,423	197,676	197,676		197,676
INTERSTATE ENVIRONMENTAL COMMISSION					
Pmts to Other Than Local Governments	3,470	86,250	86,250		86,250
TOTAL-General Fund	3,470	86,250	86,250		86,250
LOSS OF TAXES ON STATE PROPERTY					
Pmts to Local Governments	64,759,334	66,059,215	63,778,364		63,778,364
TOTAL-General Fund	64,759,334	66,059,215	63,778,364		63,778,364
GRANTS TO TOWNS					
Pmts to Local Governments	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
TOTAL-Mashantucket Pequot and Mohegan Fund	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
LOSS TAXES PRIVATE TAX-EXEMPT PROPERTY					
Pmts to Local Governments	97,163,154	100,931,737	97,163,154		97,163,154
TOTAL-General Fund	97,163,154	100,931,737	97,163,154		97,163,154
UNEMPLOYMENT COMPENSATION					
Other Expenses	2,890,612	3,275,000	3,340,000		3,340,000
TOTAL-General Fund	2,890,612	3,275,000	3,340,000		3,340,000
Other Expenses	113,170	269,000	275,000		275,000
TOTAL-Special Transportation Fund	113,170	269,000	275,000		275,000
TOTAL-Appropriated Funds	3,003,782	3,544,000	3,615,000		3,615,000
ST EMPLOYEES RETIREMENT CONTRIBUTIONS					
Other Expenses	257,806,736	284,527,059	285,694,490		285,694,490
TOTAL-General Fund	257,806,736	284,527,059	285,694,490		285,694,490
Other Expenses	31,321,880	36,676,000	40,214,000		40,214,000
TOTAL-Special Transportation Fund	31,321,880	36,676,000	40,214,000		40,214,000
TOTAL-Appropriated Funds	289,128,616	321,203,059	325,908,490		325,908,490
HIGHER ED ALTERNATIVE RETIREMENT					
Other Expenses	14,854,715	16,707,476	16,634,046		16,634,046
TOTAL-General Fund	14,854,715	16,707,476	16,634,046		16,634,046
PENSIONS & RETIREMENTS-OTHER STATUTORY					
Other Expenses	1,402,720	1,652,000	1,765,000		1,765,000

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
TOTAL-General Fund	1,402,720	1,652,000	1,765,000		1,765,000
JUDGES & COMPENSATION COMM RETIREMENT					
Other Expenses	9,837,077	9,597,785	10,125,658		10,125,658
TOTAL-General Fund	9,837,077	9,597,785	10,125,658		10,125,658
INSURANCE - GROUP LIFE					
Other Expenses	6,226,443	4,166,914	4,179,615		4,179,615
TOTAL-General Fund	6,226,443	4,166,914	4,179,615		4,179,615
Other Expenses	158,380	240,000	240,000		240,000
TOTAL-Special Transportation Fund	158,380	240,000	240,000		240,000
TOTAL-Appropriated Funds	6,384,823	4,406,914	4,419,615		4,419,615
TUITION REIMBURSEMENT-TRAINING&TRAVEL					
Other Current Expenses	2,298,734	2,730,000	490,000	1,409,500	1,899,500
TOTAL-General Fund	2,298,734	2,730,000	490,000	1,409,500	1,899,500
EMPLOYERS SOCIAL SECURITY TAX					
Other Expenses	156,702,453	172,504,362	183,170,428	671,000	183,841,428
TOTAL-General Fund	156,702,453	172,504,362	183,170,428	671,000	183,841,428
Other Expenses	11,795,212	12,775,600	13,432,000		13,432,000
TOTAL-Special Transportation Fund	11,795,212	12,775,600	13,432,000		13,432,000
TOTAL-Appropriated Funds	168,497,665	185,279,962	196,602,428	671,000	197,273,428
STATE EMPLOYEES HEALTH SERVICE COST					
Other Expenses	223,511,729	261,201,944	289,980,512	1,422,000	291,402,512
TOTAL-General Fund	223,511,729	261,201,944	289,980,512	1,422,000	291,402,512
Other Expenses	17,096,402	20,030,200	22,075,300		22,075,300
TOTAL-Special Transportation Fund	17,096,402	20,030,200	22,075,300		22,075,300
TOTAL-Appropriated Funds	240,608,131	281,232,144	312,055,812	1,422,000	313,477,812
RETIRED ST EMPLOYEES HEALTH SERV COST					
Other Expenses	171,852,369	205,032,200	232,272,000		232,272,000
TOTAL-General Fund	171,852,369	205,032,200	232,272,000		232,272,000
SUMMARY					
<u>Non-Functional</u>					
General Fund	1,998,475,243	2,177,372,203	2,294,672,885	-4,159,515	2,290,513,370
Special Transportation Fund	461,379,044	481,062,162	499,244,660	-1,760,692	497,483,968
Mashantucket Pequot and Mohegan Fund	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
Regional Market Operation Fund	169,632	170,332	143,967		143,967
TOTAL	2,590,118,478	2,793,604,697	2,914,061,512	9,079,793	2,923,141,305
STATE SUMMARY					
<u>General Fund</u>					
Personal Services	1,731,176,839	1,912,876,740	2,008,982,498	33,303,750	2,042,286,248
Other Expenses	1,218,469,709	1,351,969,339	1,419,403,561	60,241,788	1,479,645,349
Capital Outlay	5,018,643	5,342,828	3,910,180	245,800	4,155,980
Other Current Expenses	1,185,581,958	1,168,722,823	1,257,976,807	-71,373,025	1,186,603,782
Pmts to Other Than Local Governments	5,372,598,353	5,429,607,042	5,670,146,356	-4,490,135	5,665,656,221
Pmts to Local Governments	2,351,700,469	2,102,067,510	2,177,811,562	-63,492,537	2,114,319,025
TOTAL	11,864,545,971	11,970,586,282	12,538,230,964	-45,564,359	12,492,666,605
LESS:					
Adjustments - See Note	90,264,600				
Legislative Unallocated Lapses		-1,200,000	-1,200,000	-1,200,000	-2,400,000
Estimated Unallocated Lapses		-43,032,000	-78,000,000		-78,000,000
General Personal Services Reduction		-13,500,000	-13,500,000		-13,500,000

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
General Other Expenses Reductions		-11,000,000	-11,000,000		-11,000,000
DOIT Lapse		-1,500,000	-1,500,000	1,500,000	
Energy Costs		-1,650,000	-1,650,000	1,650,000	
NET - General Fund	11,954,810,571	11,898,704,282	12,431,380,964	-43,614,359	12,387,766,605
<u>Special Transportation Fund</u>					
Personal Services	146,999,022	161,749,854	171,073,594	-98,004	170,975,590
Other Expenses	114,611,670	116,787,213	123,866,673	2,647,695	126,514,368
Capital Outlay	15,587,975	6,164,979	6,141,064		6,141,064
Other Current Expenses	171,290,684	168,505,807	173,021,326	1,970,285	174,991,611
Pmts to Other Than Local Governments	395,351,115	401,789,466	418,206,121	-3,597,590	414,608,531
Pmts to Local Governments	225,000				
TOTAL	844,065,466	854,997,319	892,308,778	922,386	893,231,164
LESS:					
Adjustments - See Note	-17,733,634				
Estimated Unallocated Lapses		-10,649,000	-15,000,000		-15,000,000
NET - Special Transportation Fund	826,331,832	844,348,319	877,308,778	922,386	878,231,164
<u>Mashantucket Pequot and Mohegan Fund</u>					
Pmts to Local Governments	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
TOTAL	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
<u>Soldiers', Sailors' and Marines' Fund</u>					
Personal Services	739,682	801,238	826,652	-38,464	788,188
Other Expenses	391,986	439,453	451,985	-15,459	436,526
Capital Outlay	11,535	15,000	7,500		7,500
Other Current Expenses	1,794,325	1,900,000	1,930,000	225,000	2,155,000
Pmts to Other Than Local Governments	152,975	247,500	247,500		247,500
TOTAL	3,090,503	3,403,191	3,463,637	171,077	3,634,714
<u>Regional Market Operation Fund</u>					
Personal Services	338,776	394,383	414,345	2,272	416,617
Other Expenses	277,935	305,000	313,000	27,000	340,000
Capital Outlay	1,000	16,000	30,000		30,000
Pmts to Other Than Local Governments	169,632	170,332	143,967		143,967
TOTAL	787,343	885,715	901,312	29,272	930,584
<u>Banking Fund</u>					
Personal Services	7,855,875	8,517,902	9,078,375	-146,848	8,931,527
Other Expenses	1,745,679	2,390,399	2,390,399	367,548	2,757,947
Capital Outlay	171,280	147,858	134,100		134,100
Other Current Expenses	3,332,441	3,914,045	4,171,885	-61,515	4,110,370
TOTAL	13,105,275	14,970,204	15,774,759	159,185	15,933,944
<u>Insurance Fund</u>					
Personal Services	11,066,538	11,969,693	12,487,057	-247,305	12,239,752
Other Expenses	2,623,053	3,847,233	3,257,362	-17,300	3,240,062
Capital Outlay	256,493	197,000	197,000		197,000
Other Current Expenses	4,652,733	5,473,604	5,724,257	-99,949	5,624,308
TOTAL	18,598,817	21,487,530	21,665,676	-364,554	21,301,122
<u>Consumer Counsel/Public Utility Fund</u>					
Personal Services	10,978,020	12,051,277	12,577,507	-147,132	12,430,375
Other Expenses	2,405,666	2,790,432	2,790,152	-25,467	2,764,685
Capital Outlay	91,290	199,590	205,810	-5,776	200,034
Other Current Expenses	4,294,451	5,388,934	5,669,723	-62,854	5,606,869
TOTAL	17,769,427	20,430,233	21,243,192	-241,229	21,001,963

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

SUMMARY OF EXPENDITURES, APPROPRIATIONS, ADJUSTMENTS & RECOMMENDATIONS

	2000-2001 Actual	2001-2002 Estimated	Appropriated*	2002-2003 Net Adjustments	Revised Recommended
<u>Workers' Compensation Fund</u>					
Personal Services	8,439,112	9,358,437	9,867,856	-100,000	9,767,856
Other Expenses	2,911,662	3,545,576	3,554,183	-100,000	3,454,183
Capital Outlay	69,252	125,076	365,500		365,500
Other Current Expenses	9,351,861	10,377,972	10,949,254	-257,439	10,691,815
TOTAL	20,771,887	23,407,061	24,736,793	-457,439	24,279,354
<u>Criminal Injuries Compensation Fund</u>					
Other Current Expenses	1,628,283	1,500,000	1,500,000		1,500,000
TOTAL	1,628,283	1,500,000	1,500,000		1,500,000
TOTAL - APPROPRIATED FUNDS	12,986,988,497	12,964,136,535	13,517,975,111	-28,395,661	13,489,579,450

Note: Net 2000-2001 and 2001-2002 expenditures have been adjusted for expenditures of appropriations carried forward from prior years and for additional lapses and expenditures in agency appropriations estimated after January 22, 2002.

*Special Act 01-1 as amended by Public Acts 01-1, 01-3, 01-4, 01-5, and 01-9 all of the June Special Session

PERMANENT FULL TIME POSITIONS - APPROPRIATED FUNDS

	2000-2001 Authorized	2001-2002 Estimated	2002 - 2003 Recommended		
			Appropriated	Net Adjustments	Revised Recommended
GENERAL FUND					
Legislative Management	333	336	338	0	338
Auditors of Public Accounts	109	109	109	0	109
Commission on the Status of Women	8	8	8	0	8
Commission on Children	7	7	7	0	7
Latino and Puerto Rican Affairs Commission	5	5	5	0	5
African-American Affairs Commission	4	4	4	0	4
Governor's Office	36	36	36	0	36
Secretary of the State	49	49	49	0	49
Lieutenant Governor's Office	5	5	5	0	5
Elections Enforcement Commission	11	11	11	0	11
Ethics Commission	10	10	10	0	10
Freedom of Information Commission	15	16	16	0	16
Judicial Selection Commission	1	1	1	0	1
State Properties Review Board	6	6	6	0	6
State Treasurer *	53	53	53	0	53
State Comptroller	277	277	277	0	277
Department of Revenue Services	833	832	832	0	832
Division of Special Revenue	166	166	166	(4)	162
State Insurance and Risk Management Board	3	3	3	0	3
Office of Policy and Management	182	182	182	0	182
Department of Veterans' Affairs	356	356	356	0	356
Office of Workforce Competitiveness	5	5	5	0	5
Department of Administrative Services	312	312	312	(5)	307
Department of Information Technology	18	18	18	(1)	17
Department of Public Works	182	182	182	0	182
Attorney General *	328	330	330	0	330
Office of the Claims Commissioner	4	4	4	0	4
Division of Criminal Justice	526	526	526	0	526
Department of Public Safety	1,840	1,880	1,880	0	1,880
Police Officer Standards and Training Council	27	27	27	0	27
Board of Firearms Permit Examiners	1	1	1	0	1
Military Department	63	63	63	(1)	62
Commission on Fire Prevention and Control	23	23	23	0	23
Department of Consumer Protection	173	174	174	0	174
Department of Labor	146	146	146	0	146
Office of Victim Advocate	3	3	3	1	4
Commission on Human Rights and Opportunities	112	113	113	(5)	108
Office of Protection and Advocacy for Persons with Disabilities	37	39	39	0	39
Office of the Child Advocate	6	8	8	1	9
Department of Agriculture *	62	62	62	0	62
Department of Environmental Protection	531	462	462	3	465
Council on Environmental Quality	2	2	2	0	2
Connecticut Historical Commission	14	14	14	(1)	13
Department of Economic and Community Development	115	116	116	0	116
Agricultural Experiment Station	73	73	73	1	74
Department of Public Health	547	547	547	34	581
Office of Health Care Access	36	36	36	(36)	0
Office of the Chief Medical Examiner	51	53	53	2	55
Department of Mental Retardation	4,581	4,581	4,561	1	4,562
Department of Mental Health and Addiction Services	3,572	3,572	3,583	(47)	3,536
Psychiatric Security Review Board	4	4	4	0	4

PERMANENT FULL TIME POSITIONS - APPROPRIATED FUNDS

	2000-2001 Authorized	2001-2002 Estimated	2002 - 2003 Recommended		
			Appropriated	Net Adjustments	Revised Recommended
Department of Social Services	2,149	2,149	2,149	90	2,239
Department of Education	1,696	1,719	1,749	18	1,767
Board of Education and Services for the Blind	91	90	90	1	91
Commission on the Deaf and Hearing Impaired	11	13	13	0	13
State Library	98	90	90	0	90
Department of Higher Education	31	31	31	0	31
University of Connecticut	2,580	2,599	2,632	0	2,632
University of Connecticut Health Center	998	998	998	0	998
Charter Oak State College	24	24	24	0	24
Teachers' Retirement Board	29	30	30	0	30
Regional Community - Technical Colleges	1,740	1,740	1,740	39	1,779
Connecticut State University	2,369	2,369	2,369	0	2,369
Department of Correction	6,901	6,940	6,940	142	7,082
Board of Parole	83	83	83	3	86
Department of Children and Families	3,398	3,463	3,463	0	3,463
County Sheriffs	8	8	8	0	8
Judicial Department	3,074	3,083	3,146	25	3,171
State Marshal Commission	0	4	4	0	4
Public Defender Services Commission	360	362	362	0	362
Judicial Review Council	1	1	1	0	1
TOTAL - General Fund	41,504	41,644	41,763	261	42,024
SPECIAL TRANSPORTATION FUND					
State Treasurer *	1	1	1	0	1
Attorney General *	11	11	11	0	11
Department of Motor Vehicles	690	690	690	9	699
Department of Transportation	3,637	3,629	3,629	0	3,629
TOTAL - Special Transportation Fund	4,339	4,331	4,331	9	4,340
SOLDIERS', SAILORS' AND MARINES' FUND					
Soldiers', Sailors' and Marines' Fund	19	17	17	(1)	16
TOTAL - Soldiers', Sailors' and Marines' Fund	19	17	17	(1)	16
REGIONAL MARKET FUND					
Department of Agriculture	9	9	9	0	9
TOTAL - Regional Market Fund	9	9	9	0	9
BANKING FUND					
Department of Banking	143	143	143	0	143
TOTAL - Banking Fund	143	143	143	0	143
INSURANCE FUND					
Department of Insurance	178	174	174	0	174
Office of the Managed Care Ombudsman	0	4	4	0	4
TOTAL - Insurance Fund	178	178	178	0	178
CONSUMER COUNSEL & PUBLIC UTILITY FUND					
Attorney General *	5	5	5	0	5
Office of Consumer Counsel	19	19	19	(1)	18
Department of Public Utility Control	159	159	159	0	159
TOTAL - Consumer Counsel & Public Utility Fund	183	183	183	(1)	182
WORKERS' COMPENSATION FUND					
Workers' Compensation Commission	160	160	160	0	160
TOTAL - Workers' Compensation Fund	160	160	160	0	160
TOTAL - Appropriated Funds	46,535	46,665	46,784	268	47,052

* Indicates positions funded from two or more appropriated funds

Note: For the higher education constituent units, authority regarding establishing and filling positions rests with the agency. The authorized count represents the estimated number of positions that can be filled.

ESTIMATED COSTS OF MAJOR FRINGE BENEFITS BY AGENCY*

	<u>Estimated 2002-2003</u>
Legislative Management	9,462,511
Auditors of Public Accounts	2,382,525
Commission on the Status of Women	135,735
Commission on Children	132,371
Latino and Puerto Rican Affairs Commission	86,337
African-American Affairs Commission	71,094
Governor's Office	627,998
Secretary of the State	786,889
Lieutenant Governor's Office	83,872
Elections Enforcement Commission	212,164
Ethics Commission	206,562
Freedom of Information Commission	331,980
Judicial Selection Commission	24,483
State Properties Review Board	99,354
State Treasurer	958,847
State Comptroller	4,534,810
Department of Revenue Services	14,417,466
Division of Special Revenue	2,130,998
State Insurance and Risk Management Board	59,673
Office of Policy and Management	4,017,562
Department of Veterans' Affairs	6,239,042
Office of Workforce Competitiveness	139,003
Department of Administrative Services	5,227,818
Department of Information Technology	452,107
Department of Public Works	1,738,095
Attorney General	7,294,122
Office of the Claims Commissioner	68,162
Division of Criminal Justice	10,097,178
Department of Public Safety	30,755,633
Police Officer Standards and Training Council	477,585
Board of Firearms Permit Examiners	17,880
Department of Motor Vehicles	10,817,043
Military Department	1,213,445
Commission on Fire Prevention and Control	435,550
Department of Banking	2,479,257
Department of Insurance	3,330,363
Office of Consumer Counsel	381,144
Department of Public Utility Control	3,052,946
Office of the Managed Care Ombudsman	82,001
Department of Consumer Protection	2,922,832
Department of Labor	2,712,670
Office of Victim Advocate	55,952
Commission on Human Rights and Opportunities	1,640,016
Office of Protection and Advocacy for Persons with Disabilities	657,972
Office of the Child Advocate	139,309
Workers' Compensation Commission	2,693,925
Department of Agriculture	1,268,397
Department of Environmental Protection	9,356,669
Council on Environmental Quality	35,388
Connecticut Historical Commission	295,249

ESTIMATED COSTS OF MAJOR FRINGE BENEFITS BY AGENCY*

	Estimated 2002-2003
Department of Economic and Community Development	1,999,576
Agricultural Experiment Station	1,509,862
Department of Public Health	8,380,040
Office of Health Care Access	742,227
Office of the Chief Medical Examiner	1,003,872
Department of Mental Retardation	77,347,685
Department of Mental Health and Addiction Services	44,272,924
Psychiatric Security Review Board	71,859
Department of Transportation	35,886,048
Department of Social Services	31,735,598
Soldiers', Sailors' and Marines' Fund	225,676
Department of Education	32,879,935
Board of Education and Services for the Blind	1,478,292
Commission on the Deaf and Hearing Impaired	209,551
State Library	1,756,090
Department of Higher Education	648,224
University of Connecticut	51,668,320
University of Connecticut Health Center	20,511,610
Charter Oak State College	371,505
Teachers' Retirement Board	458,573
Regional Community - Technical Colleges	35,257,899
Connecticut State University	37,304,825
Department of Correction	96,058,107
Board of Parole	1,455,444
Department of Children and Families	58,300,433
County Sheriffs	2
Judicial Department	57,787,919
State Marshal Commission	47,334
Public Defender Services Commission	7,343,412
Judicial Review Council	33,277

*Note: Estimates assume average costs of Social Security, Health Insurance, the normal cost of State Employees Retirement, and Alternate Retirement Program pension contributions as an estimated percentage of current services for Personal Services. For the higher education constituent units, figures are based on the amounts appropriated for Operating Expenses.



SECTION B - BUDGET SUMMARY



OFFICE OF LEGISLATIVE MANAGEMENT

AGENCY PURPOSE

The Office of Legislative Management provides administrative and operational support for the Connecticut General Assembly. The Office of Legislative Management ensures the daily functioning of the Legislature for the benefit of the legislators, their staff, and the general public. Oversight and coordination of these functions and services are the responsibility of the Joint Committee on Legislative Management, a twenty-six member body comprised of the top legislative leaders from each political party in the Senate and House of Representatives. These functions and services include:

- Management of the General Assembly budget.

- Maintenance, supervision, and security of the State Capitol Building, the Legislative Office Building and their respective grounds and parking facilities.
- Supervision and coordination over all aspects of personnel administration for both permanent and temporary employees of the General Assembly.
- Preparation of bills, amendments, bill analyses, fiscal notes, journals, calendars, bulletins and other documents and support information attendant to the legislative process.

RECOMMENDED ADJUSTMENTS

Reductions

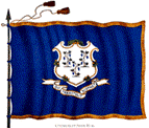
2002-2003

- Continue FY 2002 Savings Program - Legislative Lapse Plan

This adjustment will increase the appropriated lapse for the Legislative Branch from \$1.2 million to \$2.4 million.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	333	336	338	0	338
<u>Financial Summary</u>					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	28,857,950	31,158,272	34,661,211	0	34,661,211
Other Expenses	13,485,635	13,706,987	14,805,374	0	14,805,374
<u>Capital Outlay</u>					
Equipment	1,584,412	1,132,250	876,000	0	876,000
<u>Other Current Expenses</u>					
Capitol Security Improvement Projects	64,903	0	0	0	0
Security Cameras	359,813	0	0	0	0
Building Access Systems	186,168	0	0	0	0
Interim Committee Staffing	283,370	570,000	510,000	0	510,000
Interim Salary/Caucus Offices	399,999	503,500	435,000	0	435,000
Industrial Renewal Plan	171,000	180,000	180,000	0	180,000
Institute for Municipal Studies	125,000	125,000	0	0	0
Redistricting	230,250	0	0	0	0
TOTAL - Other Current Expenses	1,820,503	1,378,500	1,125,000	0	1,125,000
<u>Pmts to Other Than Govts</u>					
Interstate Conference Fund	242,686	256,000	265,350	0	265,350
TOTAL - General Fund	45,991,186	47,632,009	51,732,935	0	51,732,935



AUDITORS OF PUBLIC ACCOUNTS

AGENCY PURPOSE

- The Office of the Auditors of Public Accounts is a legislative agency of the State of Connecticut. Its primary mission is to audit the books and accounts of each agency of the state, all institutions supported by the state, and all public and quasi-public bodies created by the legislature and not subject to the Municipal Auditing Act. Each audit performed includes an examination and verification of accounting records and documents, a determination of the agency's compliance with applicable state and federal statutory and budgetary requirements, verification of the collection and proper handling of state revenue, and examination of expenditures charged to state appropriations and federal grants.
- The two Auditors may not be of the same political party and are appointed by the State Legislature to assure the independence and impartiality required for effective auditing. To ensure independence, appropriations to the Auditors of Public Accounts are excluded from executive restriction. The 95 professional staff includes many that have completed their experience requirement for the CPA certificate through service in the office.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	109	109	109	0	109
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	6,782,605	7,624,698	8,727,197	0	8,727,197
Other Expenses	921,737	603,582	610,409	0	610,409
<u>Capital Outlay</u>					
Equipment	104,188	133,504	134,504	0	134,504
TOTAL - General Fund	7,808,530	8,361,784	9,472,110	0	9,472,110



Equality for Women

COMMISSION ON THE STATUS OF WOMEN

AGENCY PURPOSE

- The Permanent Commission on the Status of Women (PCSW) was established by the General Assembly in 1973. The Commission's statutory mandates are to study and inform leaders of the nature and scope of sex discrimination in Connecticut, to serve as a liaison between government and private interest groups, to promote consideration of women for positions in government, and to work with state agencies in monitoring and assessing programs and policies that affect the status of women.
- The PCSW provides research and analysis to the Connecticut General Assembly and other state leaders regarding sex discrimination in employment, education and credit; health, safety and criminal justice issues; family law and child support enforcement; civil rights enforcement; and other issues that affect the status of women.
- The Commission takes complaints from individuals who believe they have been discriminated against on the basis of sex. The PCSW is not an enforcement agency, but is directed by statute to assist individuals who wish to file formal complaints with the Commission on Human Rights and Opportunities.
- The PCSW provides the public with speakers, educational booklets, fact sheets, trainers, and a website to fulfill its mandate to inform the public about discrimination and the status of women.
- The PCSW maintains a "talent bank" of women seeking consideration for appointment to state boards, commissions, task forces, and other leadership positions within state government.

INITIATIVES FOR FY 2003

- The Permanent Commission on the Status of Women will use the results of the *Women's Voices 2000* state and national survey to educate policy makers and the public about the issues and proposals of most concern to women in our state.
- The Commission will expand its efforts to improve access to health care for women and girls through research and collaboration with health care experts.
- The PCSW will enhance its website to make it a more comprehensive and accessible tool for public information about women's issues in Connecticut.
- The PCSW will continue to promote legislation and policies that reduce the wage gap for women and enhance economic self-sufficiency throughout the life cycle.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	8	8	8	0	8
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	394,374	459,634	497,198	0	497,198
Other Expenses	113,898	118,900	124,860	0	124,860
<u>Capital Outlay</u>					
Equipment	2,500	2,500	2,625	0	2,625
TOTAL - General Fund	510,772	581,034	624,683	0	624,683



COMMISSION ON CHILDREN

AGENCY PURPOSE

The Commission on Children is a legislative agency established to:

- Study the status of children and children's programs in order to identify programs, policies and legislation that will improve the development of children and strengthen the capabilities of families to provide for children's basic needs.

- Inform individuals and leaders of business, labor, education, state and local government, the media and the General Assembly of findings and recommendations.
- Perform services to facilitate adoption of the recommendations.

INITIATIVES FOR FY 2003

- Through federal and private grants, will guide a statewide effort in primary prevention policies and safe practices to diminish youth violence.
- Will guide a statewide parent engagement and leadership initiative to help parents substantively connect to their children's health, safety and learning and will report on

- methods to evaluate quality parent engagement in schools and towns for policy makers.
- Will assess the last decade's policy gains and outcomes for children, ages birth through eight, and will recommend policy directions for the next five years to maintain gains and address gaps.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	7	7	7	0	7
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	369,033	452,585	484,875	0	484,875
Other Expenses	118,378	95,150	99,775	0	99,775
<u>Capital Outlay</u>					
Equipment	0	2,500	2,625	0	2,625
<u>Other Current Expenses</u>					
Social Health Index	40,000	40,000	40,000	0	40,000
TOTAL - General Fund	527,411	590,235	627,275	0	627,275



LATINO AND PUERTO RICAN AFFAIRS COMMISSION

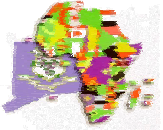
AGENCY PURPOSE

The Latino and Puerto Rican Affairs Commission was created in 1994 by an act of the Connecticut Legislature. Under C.G.S. Sec. 1-120, this 13 member bipartisan commission and staff work to ensure proper representation and recognition of the Latino and Puerto Rican communities. The Commission is charged to:

- Review and comment on any proposed state legislation and regulations that would affect the Latino and Puerto Rican populations in the state.
- Advise and provide information to the Governor on the state's policies concerning the Latino and Puerto Rican communities.
- Advise the Governor concerning the coordination and administration of state programs serving the Latino and Puerto Rican populations.
- Maintain a liaison between the Latino and Puerto Rican communities and governmental entities.
- Encourage Latino and Puerto Rican representation at all levels of state government, including state boards and commissions.
- Secure appropriate recognition of the accomplishments and contributions of the Latino and Puerto Rican populations of the state.
- Prepare and submit to the Governor an annual report concerning its activities with any appropriate recommendations concerning the Latino and Puerto Rican populations of the state.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	5	5	5	0	5
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	208,464	285,469	316,251	0	316,251
Other Expenses	75,817	83,005	85,690	0	85,690
<u>Capital Outlay</u>					
Equipment	0	5,250	5,250	0	5,250
TOTAL - General Fund	284,281	373,724	407,191	0	407,191



AFRICAN-AMERICAN AFFAIRS COMMISSION

AGENCY PURPOSE

The African-American Affairs Commission was created in 1997 by an act of the Connecticut Legislature. Under Sec. 2-121 of the Connecticut General Statutes, a (13) thirteen member Commission, a staff and volunteers work to ensure adequate representation and recognition of the African-American population in the state. The Commission is charged to:

- Review and comment on any proposed state legislation and regulations that would affect the African-American population in the state.
- Advise and provide information to the Governor on the state's policies concerning the African-American communities.
- Advise the Governor concerning the coordination and administration of state programs serving the African-American population.
- Maintain a liaison between the African-American communities and governmental entities.
- Encourage African-American representation at all levels of state government, including state boards and commissions.
- Secure appropriate recognition of the accomplishments and contributions of the African-American population of the state.
- Prepare and submit to the Governor an annual report concerning its activities with any appropriate recommendations concerning the African-American population of the state.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	4	4	4	0	4
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	199,914	245,501	260,417	0	260,417
Other Expenses	80,351	91,050	92,800	0	92,800
<u>Capital Outlay</u>					
Equipment	3,866	2,500	2,500	0	2,500
TOTAL - General Fund	284,131	339,051	355,717	0	355,717



GOVERNOR'S OFFICE

AGENCY PURPOSE

The Governor is the elected constitutional officer who is responsible for:

- The executive direction and supervision of the general administration of the state.
- The appointment of commissioners of departments, members of boards and commissions, trustees and other officials.

- The presentation of the budget recommendations to the General Assembly.
- The approval or veto of legislation by the General Assembly.

RECENT HIGHLIGHTS

Since taking office, the Governor has:

- Managed the state to seven consecutive budget surpluses.
- Fully funded the Budget Reserve Fund.
- Implemented two tax rebate programs in the State.
- Proposed and signed into law significant tax reductions.
- Significantly reduced the rate of growth in government spending.
- Instituted welfare reform.
- Developed the Husky Program to provide comprehensive health services to children.
- Instituted the Education First plan to provide access to a world class education for every child in Connecticut.
- Expanded access to home care and assisted living for the state's low and middle-income elderly so as to reduce the over-reliance on nursing home institutionalization and build a continuum of care in the state.

- Overhauled the policies and procedures of the child welfare system.
- Targeted investments in the economic development of the state's urban areas.
- Established a comprehensive land acquisition program to preserve open space.
- Toughened sentencing.
- Improved the educational infrastructure.
- Converted financing of school construction to a more cost-effective method.
- Developed industry cluster program to enhance competitiveness.
- Slashed the gas tax while maintaining the integrity of the Special Transportation Fund.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	36	36	36	0	36
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	2,084,972	2,255,606	2,300,360	0	2,300,360
Other Expenses	299,494	289,479	289,479	0	289,479
<u>Capital Outlay</u>					
Equipment	0	100	100	0	100
<u>Pmts to Other Than Govts</u>					
New England Governors' Conference	128,983	134,154	140,862	0	140,862
National Governors' Association	92,900	97,545	102,422	0	102,422
TOTAL - Pmts to Other Than Govts	221,883	231,699	243,284	0	243,284
TOTAL - General Fund	2,606,349	2,776,884	2,833,223	0	2,833,223



SECRETARY OF THE STATE

AGENCY PURPOSE

The Secretary of the State educates and informs the public of services, programs and responsibilities of the office, and advocates issues, policies and programs, which promote a healthy democracy and an active, engaged citizenry, with emphasis on encouraging young people to participate in civic life. The office serves the public through seven divisions:

- Commercial Recording maintains and makes information available to the public regarding corporations, limited partnerships, limited liability companies, statutory trusts, limited liability partnerships, Uniform Commercial Code and trademarks by reviewing, recording, copying, computerizing, and certifying documents for and of public record.
- Election Services administers, interprets, and implements all state and federal laws pertaining to elections, primaries, nominating procedures, campaign finance and the acquisition and exercise of voting rights. Personal disclosure statements from state and candidate committees are filed with the office and are available for public view electronically on the Secretary of the State's web site. The Election Division also encourages and monitors the implementation of the National Voter Registration Act and other voter registration efforts in Connecticut.
- Management & Support Services supports the office in areas of fiscal administration, business, revenue collection, purchasing, and other support services. The division also distributes and is a sales agent for the Connecticut State Register and Manual and other agency publications.

- Information Technology is responsible for the administration, support, development and maintenance of all computer systems and related applications within the agency. It also provides support to the Centralized Voter Registration System, Connecticut Online Commercial Recording Database (CONCORD), Connecticut Finance Information System (CFIS), agency web site and all E-Government initiatives within the office.
- Records and Legislative Services is the official keeper of all acts, orders, grants, and resolutions of the General Assembly, publishes the State Register and Manual, receives and maintains legislation, regulations and other executive branch records as required by statute, administers Connecticut's notary public program and provides records management services to the office.
- The State Board of Accountancy licenses and regulates public accountants. The Board is composed of seven members appointed by the Governor and is responsible to ensure that the highest standards of integrity and professionalism are maintained by Connecticut's Certified Public Accountants and licensed public accountants.
- Human Resources provides payroll, affirmative action and other assistance to employees.

RECENT HIGHLIGHTS

- Pursuant to CGS 9-241, the Secretary of the State, as the chief election official of the state, must approve and certify any voting equipment to be used in the state. On December 29, 1998, conditional approval was granted to Global Systems, Inc. for a ballot-scanning device, "Accu Vote ES 2000," which to date offers the only technology that can accommodate a full-face ballot as required by Connecticut law. Samples of some of Connecticut's most complex ballots were tested. Regulations have been formulated, and beta testing of this equipment was completed in 2001. On June 8, 2001, the Accu Vote ES 200 was certified as meeting all criteria for use in Connecticut. This new type of voting equipment was used in four towns for the 2001 Municipal Elections.
- Collaboration with the Connecticut Business and Industry Association to enlist businesses in voter registration efforts for their employees, customers and clients led to the participation of hundreds of leading corporations. The division also worked with leading financial institutions to promote "voter registration weeks" at local credit unions and bank branches. These and other efforts have resulted in a registration rate over 85 percent. By the November 2000 election, the number of total registered voters had increased to 2,031,626. This is the first time in Connecticut history that the number of registered voters surpassed the two million mark.
- The Elections Division has developed the "File-It" system for campaign finance disclosure, which features scanned campaign finance reports and is accessed via the Secretary of the State's web site. All committee reports filed with the Secretary of the State are now accessible electronically through File-It. Any pre-2000 reports are still viewable at the Secretary of the State's office, but reports filed after January, 2000 are viewable via the Internet.
- Implemented the Campaign Finance Information System (CFIS), a new and secure means of electronically filing campaign finance reports via the Internet. This system has been completely enhanced as of October 2001. It is a user-friendly application, which is accessible over the Internet. It has also received national recognition.
- The office initiated a new automated system to process and track revenue. The office has been participating in the State of Connecticut Purchasing Card program. The division has installed a new program to track and maintain information regarding petty cash.
- Commercial Recording offers real time access to corporate and UCC (Uniform Commercial Code) documents via the Internet. Anyone who has access to the Internet can go to the Secretary of the State's web site and then to Commercial Recording Division's database called "CONCORD", to obtain names and addresses of corporate officers and directors, business addresses and a listing of all filings made for that business. Our Public Service Area

is open for customers from 8:30 a.m.- 4:00 p.m. These expanded hours have given the business community more time during the business day to submit requests and file documents.

- In addition to accepting fax filings of corporate documents, on October 1, 2001, the Commercial Recording Division began accepting fax filings for Limited Liability Companies.
- Public Act 01-132 adopted Revised Article 9 of the Uniform Commercial Code. The Public Act became effective on October 1, 2001. Revised Article 9 dramatically changes how security interests are filed within the Secretary of the State's Office. The new law changes the place of filing

financing statements, as well as the filing office requirements for accepting financing statements. The Commercial Recording Division's CONCORD system will be modified to enhance search logic, create a new indexing system, and increase the capacity in order to comply with the Revised Article 9.

- The Board initiated enforcement of Peer Review violations based upon the completed work on the Peer Review program. The Board also initiated enforcement of unlawful practice of public accountancy based upon a cross analysis of license and permit applications.

INITIATIVES FOR FY 2003

- Continue to promote voter registration and voter participation and outreach to youth through programs such as Student Citizenship Awards, Citizenship Essay Contest, Citizenship Poster Contest, Capitol Forum, First Vote Connecticut and internship programs. Other programs include Community Conversations on Race, Youth Democracy Reports and Conference, taking an active role at naturalization ceremonies to register new citizens to vote.
- Expand e-mail access and additional information available on the Secretary of the State's web page.
- Implement E-Government initiatives, including web publishing of forms, documents, and application integration to consumer interaction through web integration.
- Enhance public access to older records filed in the office, including bank documents, and Uniform Commercial Code records.
- Continue efforts to move from a manual voting machine system to advanced technology systems.
- Encourage PACs, town committees and candidate committees to utilize the Campaign Finance System and input campaign filing report data for each campaign cycle.
- Continue to administer the enhanced Campaign Finance Information System (CFIS), a secure means of electronically filing campaign finance reports via the Internet.

RECOMMENDED ADJUSTMENTS

Reductions

- Transfer Other Expenses Costs to the Commercial Recording Division Fund

2002-2003

-1,256,995

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	49	49	49	0	49
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	2,369,515	2,644,111	2,882,377	0	2,882,377
Other Expenses	1,321,478	554,222	1,256,996	-1,256,995	1
<u>Capital Outlay</u>					
Equipment	0	1,000	1,000	0	1,000
TOTAL - General Fund	3,690,993	3,199,333	4,140,373	-1,256,995	2,883,378



LIEUTENANT GOVERNOR'S OFFICE

AGENCY PURPOSE

The Lieutenant Governor is the elected constitutional officer who is charged with:

- Succeeding the Governor in the event the office becomes vacant during the term.
- Operating the state government during the Governor's absence from the state.

- Providing overall assistance to the Governor.
- Presiding over the state Senate and casting the tie-breaking vote when the Senate is equally divided.

RECENT HIGHLIGHTS

Since taking office, the Lieutenant Governor has:

- Convened and chaired the Commission on State Mandate Reform, many of whose recommendations have since been passed by the General Assembly and signed into law by the Governor.
- Chaired the Commission on Hospital Taxes and Uncompensated Care and was instrumental in getting the hospital gross receipts tax eliminated and the sales tax on hospital services suspended.
- Chairs the Connecticut Progress Council.
- Chairs the State of Connecticut/American Red Cross Disaster Cabinet.
- Chaired the Hartford Economic Development Advisory Group, which identified a rejuvenated civic center, a highly developed waterfront, a downtown higher education center, a convention center and sports megaplex, demolition or redevelopment of vacant buildings and the creation of downtown housing units, and an increase in the number of well-located and inexpensive parking spaces as the six pillars of progress for economic development in Hartford.
- Serves as a member of the Executive Committee of the Greater Hartford Downtown Council.

- Chaired the Maternal Depression Working Group which made recommendations on treating postpartum depression.
- Serves as a member of the Governor's Law Enforcement Council.
- Spearheaded the effort to provide funding for the new Farm Enhancement Program which will be used to increase farm production, diversify farm productivity and keep agriculture viable.
- Coordinated the statewide campaign to raise private funds for the Women in Military Services to America Memorial.
- Established a new award program called "Connecticut Treasures" that recognizes the volunteer efforts of individuals and groups.
- Developed a comprehensive plan to ensure that Connecticut's schools and libraries are prepared to meet the computer and technology needs of the 21st Century.
- Spearheads the state's efforts on breast cancer awareness, education and prevention;
- Led the bipartisan effort to enact legislation that awards high school diplomas to veterans of World War II who left school early to serve in the military.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	5	5	5	0	5
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	250,987	247,275	267,222	40,000	307,222
Other Expenses	51,670	51,688	51,688	0	51,688
<u>Capital Outlay</u>					
Equipment	3,561	100	100	0	100
TOTAL - General Fund	306,218	299,063	319,010	40,000	359,010



ELECTIONS ENFORCEMENT COMMISSION

AGENCY PURPOSE

The Elections Enforcement Commission seeks to improve public confidence in the electoral process and those seeking or holding a public office. The Commission achieves this objective by focusing on the following core functions:

- Monitor compliance with elections and campaign finance laws.
- Conduct investigations of complaints concerning violations of the state laws governing elections, primaries, and referenda.

- Audit financial disclosure statements filed by state, district and municipal candidates for public office, political parties, and political action committees.
- Render formal and informal advisory opinions and rulings.
- Conduct educational seminars, and publish explanatory guides to enhance compliance with the campaign finance laws.

RECENT HIGHLIGHTS

- Completed comprehensive review of municipal campaign finance statements and reports in one-third of all CT municipalities, and published a compliance report, including statistical supplement.
- Updated and published several guides for compliance with campaign finance laws, including Spanish translation.
- Completed 230 investigations, and collected \$70,660 in civil penalties for violations of election laws.
- Enhanced Commission website, and obtained toll free number for ease of access.
- Continued to resolve complaints swiftly and reduce the need for full administrative hearings.
- Maintained active role in effort to enact improvements to election laws.

INITIATIVES FOR FY 2003

- Enhance public information and educational role by substantially increasing the number of audits conducted of campaigns and development of electronic training materials to allow for widespread distribution and access.
- Continue to assist the Secretary of the State in computerizing the campaign finance data maintained by that agency.
- Continue to respond swiftly to the need for legal advice and written opinions concerning compliance and ensure that the response time to requests for written opinions is no more than 7 working days.
- Further expand the web site to provide the public with access to Commission case decisions and opinions.
- Continue to resolve complaints swiftly and reduce the need for full administrative hearings.
- Continue to prevent violations through intensive educational efforts such as workshops and the like.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	11	11	11	0	11
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	688,215	732,973	777,158	0	777,158
Other Expenses	75,829	80,477	80,477	0	80,477
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
TOTAL - General Fund	765,044	814,450	858,635	0	858,635



ETHICS COMMISSION

AGENCY PURPOSE

In order to build and maintain the confidence of Connecticut citizens in the integrity of their government, the Ethics Commission administers and enforces:

- A Code Of Ethics For Public Officials And State Employees (also covering officials and employees of the state's quasi-public agencies and state consultants) including conflict of

interest provisions, post-state employment restrictions, and financial disclosure requirements.

- A Code of Ethics for Lobbyists including a lobbyist registration and reporting requirement and a ban on gifts from lobbyists to public officials, state employees, and members of their staffs and families.

RECENT HIGHLIGHTS

- Resolved four "Finder's Fee" investigations. As a result, \$6.8 million dollars has been placed in escrow for eventual return to the State's Pension Fund when all related litigation has been resolved.

- As mandated, received 100% of required lobbyist reports via electronic filing. Additionally, 50% of Public Official Statements of Financial Interests filed online. All information is available to the public through the Commission's website database.

INITIATIVES FOR FY 2003

- Resolve all pending "Finder's Fee" cases by settlement or litigation, if necessary. The underlying goal of this process is to return any and all illegal contingent fees to the State's Pension Fund.

- Continue to increase public access to Commission information, at a decreased cost, by posting all significant disclosure reports, opinions and decisions on the Commission's website and enhancing search capacity.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	10	10	10	0	10
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	672,741	731,419	756,638	0	756,638
Other Expenses	191,740	106,387	106,387	0	106,387
<u>Capital Outlay</u>					
Equipment	0	100	100	0	100
<u>Other Current Expenses</u>					
Lobbyist Electronic Filing Program	43,790	42,000	42,000	0	42,000
TOTAL - General Fund	908,271	879,906	905,125	0	905,125



FREEDOM OF INFORMATION COMMISSION

AGENCY PURPOSE

The Freedom of Information (FOI) Commission is an independent, government oversight agency charged with administering and enforcing Connecticut's FOI Act and thereby ensuring that the people of our state have full access to the records and meetings of all public agencies to the extent provided by law. In furtherance of this purpose, the commission focuses on the following core functions:

- Settle complaints informally through an ombudsman or mediation process.
- Decide complaints by a speedy, inexpensive process designed for lay people.

- Representation of the commission, by staff counsel, in all court appeals from its decisions and in all other litigation affecting the commission.
- Render declaratory rulings that apply the FOI Act to situations of general concern.
- Conduct programs, publish literature, answer written and oral inquiries and perform other educational functions so that the requirements of the law will be known and understood by everyone upon whom the act confers rights and duties.

RECENT HIGHLIGHTS

- Developed and piloted a comprehensive training program for dealing with municipal FOI advisory boards and liaisons.
- Initiated community outreach program.
- Completed and published a survey of compliance by state agencies with the FOI Act.
- Maintained an average period of under six weeks for hearing citizen complaints alleging violation of the FOI Act notwithstanding a record number of complaints.
- Led successful initiative to enact legislation on public access to records created pursuant to major government privatization agreements.

INITIATIVES FOR FY 2003

- Conduct comprehensive training programs for municipal FOI advisory boards and liaisons.
- Work cooperatively with statutorily authorized local FOI advisory boards and others who act as FOI liaisons for municipalities, school districts and state agencies.
- Enhance Public Education program and continue public outreach initiative.
- Develop programs to respond to deficiencies identified in survey of compliance by state agencies with the FOI Act.
- Continue to use technology, public education and informal processes to reduce caseload.
- Continue information policy initiatives involving privacy, technology, privatization and related issues.
- Develop public policy positions with regard to issues of information accessibility, privacy and public accountability, especially as they relate to such matters as emerging information technologies.
- Develop and coordinate plans for addressing increased security of government offices while minimizing interference with citizen rights to access public records and meetings.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
<u>Permanent Full-Time Positions</u>					
General Fund	15	16	16	0	16
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
Personal Services	1,064,799	1,158,493	1,216,043	0	1,216,043
Other Expenses	96,367	123,909	124,909	0	124,909
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
TOTAL - General Fund	1,162,166	1,283,402	1,341,952	0	1,341,952



JUDICIAL SELECTION COMMISSION

AGENCY PURPOSE

- To evaluate, investigate and recommend qualified candidates for consideration by the Governor for nomination as judges for the superior court, the appellate court and the supreme court.
- The Judicial Selection Commission consists of 12 members: 2 from each of Connecticut's 6 congressional districts. No more than six members can be from the same political party and none can be an elected or appointed state official or hold a statewide political party office. Of the 12 members, 6 must not be attorneys.
- The commission seeks qualified candidates for consideration by the governor for nomination as judges for the superior court, appellate court and supreme court. It must also evaluate incumbent judges who seek reappointment to the same court.
- The commission develops a listing of qualified candidates by investigating and interviewing the candidates, including incumbent judges seeking appointment to a different court.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	1	1	1	0	1
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	67,682	84,591	89,683	0	89,683
Other Expenses	20,120	20,323	20,727	0	20,727
<u>Capital Outlay</u>					
Equipment	0	100	100	0	100
TOTAL - General Fund	87,802	105,014	110,510	0	110,510



STATE PROPERTIES REVIEW BOARD

AGENCY PURPOSE

Review and approve State transactions involving:

- The acquisition and development of land and buildings for State use.
- Leasing of private buildings for State Agencies.
- Sale or lease of surplus State buildings and lands.
- Acquisition of farms or development rights.
- Assignment of State Agencies to State buildings.
- The selection of and contracts for DPW project consultants.
- Lease and/or purchase of Group Homes for DMR.
- Lease of warehouse/distribution space at the CT Regional Market.
- Leases, Operating or Concession Agreements at State airports and piers.
- Acquisition of railroad rights-of-way and related facilities.
- Other transactions mandated by the Legislature.

RECENT HIGHLIGHTS

Five Years In Review:

	1996-97	1997- 98	1998-99	1999-00	2000-01
Number of Transactions	544	611	631	645	672
Average Calendar Days to Process	10.5	11.5	11.5	11.6	10.69
Savings to the State	\$736,348	\$1,224,877	\$981,993	\$1,619,239	\$3,143,292

- Despite the 4.2% increase to 672 transactions submitted, the board was able to maintain its low average time to process transactions submitted by client agencies at 10.69 calendar days (counting weekends and holidays).
- Documented savings were over \$3.14 million and were 638% of the board's entire recurring operating expenditures. Not tabulated are savings which depend on future tax rates or other unknown variables to determine the actual amount saved.

INITIATIVES FOR FY 2003

- Continued improvement of informational database to improve accessibility and achieve greater efficiency.
- Develop accessibility to databases on other state computer systems to improve communications with client agencies and develop new sources of data.
- Continue to seek new and improved methods of providing "value added" to our client agencies' proposals in the shortest possible review time.

AGENCY SUMMARY

	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
Personnel Summary	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	6	6	6	0	6
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	329,418	345,039	363,933	0	363,933
Other Expenses	160,998	184,346	184,346	0	184,346
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
TOTAL - General Fund	491,416	530,385	549,279	0	549,279



STATE TREASURER

AGENCY PURPOSE

- The State Treasurer is an elected constitutional officer who is responsible for the custody of the property and money of the state and pays out those moneys on warrants drawn and presented by the State Comptroller.
- The Treasurer invests the temporarily idle moneys in the state's General Fund as well as the assets of the state pension and other trust funds.
- With the approval of the State Bond Commission, the Treasurer administers the sale of state bonds, payment of the interest thereon and their redemption.
- With the approval of the Governor, the Treasurer may borrow short term funds, which are binding on the state and redeemed by the Treasurer when there are funds available for such purpose.

RECENT HIGHLIGHTS

- Sound management and tighter fiscal controls in the Second Injury Fund led to a reduction in rates – saving Connecticut businesses \$4 million annually. Assessment rates paid by insurers are now the lowest in 14 years; rates paid by self-insured employers are the lowest in 7 years.
- Recovered \$125.2 million for the state pension fund from Triumph Capital, a private equity firm.
- Continued to implement disclosure requirements in accordance with the Treasury Reform Act of 2000.
- Returned more unclaimed assets – \$9.8 million in fiscal year 2001 – to rightful owners than in any year in the 65-year history of the unclaimed property program, on more than 14,000 claims. Increased outreach to unclaimed property holders resulted in a record \$39 million being remitted to the Treasurer's Office, an increase of \$2.3 million from the previous year.
- Strong response from individual and institutional investors in state bond sales and refinancing of existing debt resulted in savings to taxpayers of over \$90 million.
- Achieved third largest class action litigation settlement in U.S. history, as lead plaintiff in a \$457 million settlement of securities fraud allegations with *Waste Management Inc.*, working in concert with the Attorney General's Office. The Treasury is also serving as co-lead plaintiff in the *Campbell Soup* litigation to recover pension fund assets.
- Attracted a record number of new investors saving for college, more than twice as many as any previous year, and added two new investment options in the Connecticut Higher Education Trust (CHET) program, adding flexibility for investors. CHET surpassed \$100 million in assets under management and is now one of the leading programs in the country.
- State pension fund investments continually outperformed similar public funds in excess of \$1 billion and Short-Term Investment Fund (STIF) reached an all-time high of \$5.3 billion while attracting record numbers of municipal investors.
- Participated in launch of public-private partnership to provide series of community-based conferences to provide financial education to Connecticut residents, non-profit organizations, small businesses and neighborhood economic development organizations.
- Established most comprehensive corporate governance proxy voting program in state history, and achieved notable success on issues including independence of boards of directors, executive compensation, working conditions and board diversity.

INITIATIVES FOR FY 2003

- Promote the CHET (Connecticut Higher Education Trust) program, and new tax and savings features, as one of the nation's premier 529 college savings programs.
- Continue outreach program for both property holders and owners in the state's unclaimed property program: "*Name It and Claim It!*".
- Adopt *Investment Policy Statement* for the Connecticut Retirement Plans and Trust Funds and continue disclosure compliance and monitoring requirements in accordance with the *Treasury Reform Act of 2000*.
- Take advantage of the recent interest rate decline to save millions of dollars for taxpayers in the management and issuance of state debt obligations.
- Continue nationally noted efforts in the area of securities fraud litigation and corporate governance initiatives.
- Continued implementation of Second Injury Fund Blue Ribbon Commission Report.
- Participate in the development and implementation of statewide financial literacy training programs.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Continue FY 2002 Savings Program

2002-2003

-150,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	53	53	53	0	53
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	2,970,332	3,350,230	3,662,260	-150,000	3,512,260
Other Expenses	402,249	416,876	416,404	0	416,404
<u>Capital Outlay</u>					
Equipment	5,000	1,000	1,000	0	1,000
TOTAL - General Fund	3,377,581	3,768,106	4,079,664	-150,000	3,929,664



STATE COMPTROLLER

AGENCY PURPOSE

The Office of State Comptroller has a wide variety of duties and projects which originate from both its constitutional charges and directives from the Legislature such as:

- Administer the State Payroll, Retirement, Employee Benefits, Health Insurance and Accounting Systems.
- Analyze state expenditures and receipts.

- Prepare financial statements and reports as required by statute.
- Monitor and assist state agencies in the areas of compliance with regard to both the accounting systems and procedures related to the maximization of accountability, standardization and cost effectiveness.

RECENT HIGHLIGHTS

- Introduced enhancements to both the Municipal Employee Health Program and the Municipal Employee Retirement Fund.

- Created Internet website to provide public access to information concerning all state bonding appropriations.

INITIATIVES FOR FY 2003

- Administer the upgrade and re-engineering of the state's core financial computer systems to improve the state's internal accounting and business practices and to better serve the public.

- Continue to advocate for ways to maximize efficiency of state spending and to increase accountability and public participation in the state budgeting process.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Personal Services Expenditures
- Reduce Other Expenses Account

2002-2003

-150,000
-50,000

Technical Adjustments

- Eliminate the Wellness Program Funding

-47,500

AGENCY SUMMARY

<i>Personnel Summary</i>	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	277	277	277	0	277
<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	14,349,659	15,815,050	16,611,027	-150,000	16,461,027
Other Expenses	2,392,380	3,179,080	3,305,488	-50,000	3,255,488
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Wellness Program	0	0	47,500	-47,500	0
Core Financial Systems	1,507,936	0	0	0	0
Death Benefits for State Employees	7,638	0	0	0	0
State Employees Retirement Data Base	157,742	0	0	0	0
TOTAL - Other Current Expenses	1,673,316	0	47,500	-47,500	0
<u>Pmts to Other Than Govts</u>					
Governmental Accounting Standards Board	19,570	19,570	19,570	0	19,570
TOTAL - General Fund	18,435,925	19,014,700	19,984,585	-247,500	19,737,085



DEPARTMENT OF REVENUE SERVICES

AGENCY PURPOSE

- Administers the tax laws of the State of Connecticut.
- Collects the tax revenues in the most cost effective manner.
- Strives for the highest level of voluntary compliance among all Connecticut taxpayers through accurate, efficient and courteous customer services.
- Executes its duties in a manner which instills public confidence in the integrity and fairness of the State's tax programs.

RECENT HIGHLIGHTS

- Managed tax revenue deposits of \$10 billion, and produced, distributed and processed over 6.5 million tax returns.
- Added many user-friendly enhancements to the filing and payment process for filers of personal income:
 - Expanded Telefiling eligibility to nearly 60 percent of personal income tax filers.
 - Made available on our Web site a "fill-in" Form CT-1040 EZ, with automated calculations and links to tables.
 - Introduced optional direct payment of income tax from personal bank accounts (in addition to existing program of direct deposit of refunds).
 - Added credit card payment option for income tax payments with extension requests and quarterly payments of estimated tax.
 - Expanded the telephone and Internet Spanish language assistance program during the filing season.
- Increased participation in cost-efficient, non-paper (Telefile, electronic filing, and personal computer filing) personal income tax filing by 22 percent over prior year.
- Launched Fast-File program to enable business taxpayers to report and pay certain business taxes by Internet and phone.
- Worked closely with the Office of the Attorney General to ensure compliance with the federal cigarette Master Settlement Agreement.
- In a joint effort with the CT Department of Mental Health and Addiction Services (DMHAS) to curb underage smoking, held a record 307 hearings and collected \$69,000 in fines from retailers in violation.
- Shared tax administration policy and practice with tax officials from China and Russia.
- Set new records for compliance during fiscal 2002:
 - 142 criminal arrests
 - More than \$2 million in owed taxes, penalties and fines
- Internet Top 100 Tax Delinquents List has added more than \$107.9 million of previously uncollected revenue since 1997.
- Released a *Request for Proposals* and completed the evaluation process for the Integrated Tax Administration System (ITAS).

INITIATIVES FOR FY 2003

- Implement an audit selection plan developed to identify underreporting taxpayers in the retail restaurant and bar industry; this initiative is expected to generate approximately \$3 million in additional sales and use tax assessments annually for the next three to four years.
- Continue focus on Operation EQUITY and other information exchange programs between Connecticut and tax authorities in other jurisdictions to optimize compliance activities and tax revenue collection.
- Increase use of technology to eliminate use of paper in reporting and paying taxes:
 - Introduce direct Internet filing of Connecticut personal income tax returns
 - Expand Fast-File
- Add a new feature on our Web site to make available names and postal delivery addresses of taxpayers whose refund checks are undeliverable.
- Expand Internet capabilities to deliver more services to all taxpayers, including information and forms, tax return filing and payment.
- Continue positive dialogue with private sector taxpayers and tax professionals through the new DRS Business Users' Group.
- Expand the capability and functionality of the agency by beginning to develop and install a new, state-of-the-art Integrated Tax Administration System (ITAS).
- Continue to refine and implement the Agency's Business Process Plan to improve delivery of services, streamline operations and better utilize the State's resources.
- Continue efforts to clarify and streamline the State's tax laws through pro-active legislative action.
- Continue to emphasize taxpayer education outreach to achieve higher levels of voluntary compliance.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	833	832	832	0	832
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	47,998,239	50,854,861	52,811,229	-100,000	52,711,229
Other Expenses	9,938,101	10,159,689	10,278,819	0	10,278,819
<u>Capital Outlay</u>					
Equipment	50,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Collection & Litigation Contingency Fund	251,446	455,000	455,000	0	455,000
Tax Rebate Program	768,681	0	0	0	0
TOTAL - Other Current Expenses	1,020,127	455,000	455,000	0	455,000
TOTAL - General Fund	59,006,467	61,470,550	63,546,048	-100,000	63,446,048



DIVISION OF SPECIAL REVENUE

AGENCY PURPOSE

The Division of Special Revenue is a regulatory agency charged with ensuring the highest degree of integrity in the operation of all legalized gambling activity within the State by enforcing the gaming laws of the State of Connecticut and monitoring compliance with the Tribal-State Compacts governing gambling on Indian reservations. In furtherance of this purpose, the Division focuses on the following core functions:

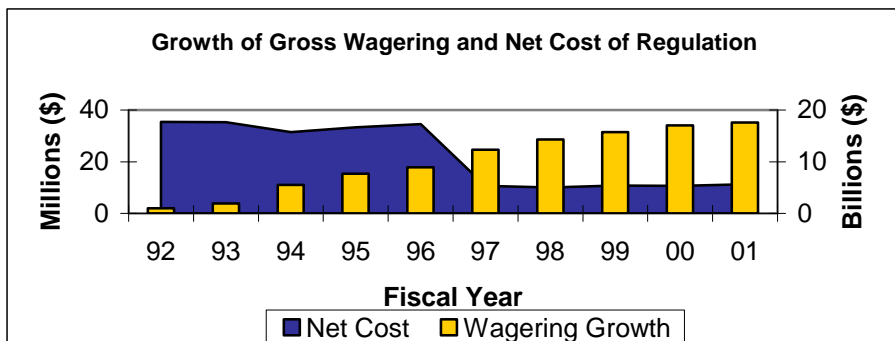
- Enforcement of regulations and procedures to assure the public that all gaming is conducted in a fair and honest manner.
- Licensing, registering or permitting only suitable individuals, organizations and vendors of equipment and

services to be employed or contracted with gambling industries within the State.

- Providing due process and an opportunity to be heard under the Administrative Procedures Act for those individuals or entities denied initial licensure or whose current license is in the process of being revoked.
- Testing wagering systems and related equipment, including telecommunication protocols and standards to ensure the integrity of games.
- Conduct independent audits to ensure operations are compliant with regulatory requirements.
- Collect pari-mutuel taxes and pay grants to municipalities.

RECENT HIGHLIGHTS

- Added a second collect terminal to expedite the criminal history checks of applicants requesting licenses.
- Instituted a Gambling Regulation Hot Line for consumer reporting of complaints to Agency Security Unit Chief.
- Submitted revised regulations to the CGA Regulation Review Committee to consolidate and streamline pari-mutuel gambling regulations for greyhound racing, jai-alai and off-track betting.



INITIATIVES FOR FY 2003

- Seek ways to improve regulatory oversight in an efficient and cost-effective manner.
- Continue the process of upgrading agency data processing technology to ensure employees have access to the latest available hardware and software.
- Coordinate with the Mashantucket and Mohegan Tribal Gaming Commission's electronic fingerprint and application transmission.
- Emphasize strategic and long-range planning to ensure that regulatory oversight reflects changes in gaming industry operations.
- Enhance staff development efforts including training and retraining to keep skill levels and Division operations at optimum.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Personal Services Expenditures

2002-2003

-66,567

Reallocations or Transfers

- Upgrade the Fire Alarm System
Reallocate \$27,000 to upgrade the fire alarm system to be code and A.D.A. compliant.
- Reallocate Funds for Training Opportunities and Inflationary Expenses

0

0

Technical Adjustments

- Reduce Personal Services due to the Closing of Milford Jai Alai

-135,379

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	166	166	166	-4	162
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	6,986,841	7,264,036	7,941,231	-313,946	7,627,285
Other Expenses	1,568,688	1,824,434	1,766,209	112,000	1,878,209
<u>Capital Outlay</u>					
Equipment	30,756	1,000	1,000	0	1,000
TOTAL - General Fund	8,586,285	9,089,470	9,708,440	-201,946	9,506,494



STATE INSURANCE AND RISK MANAGEMENT BOARD

AGENCY PURPOSE

- Promote a coordinated insurance and risk management program within the State.
- Protect the assets of the State of Connecticut by developing and implementing risk management and loss prevention programs.
- Determine method by which the State shall insure/self-insure.
- Obtain broadest coverage at the most reasonable cost.
- Designate agent of record and select insurance companies.
- Utilize risk management methods such as exposure identification, loss control, risk transfer or risk assumption.

RECENT HIGHLIGHTS

- The Board developed and distributed a Risk Management Manual that included a standardized format regarding insurance requirements for the use of State facilities by non-state entities.
- The Board continued to undertake some specific proactive risk management initiatives such as property inspections, loss cause coding, accident review boards and defensive driving programs. The effect of these initiatives is to reduce the frequency and severity of claims.
- The Board held its first annual risk management conference that addressed the State's property and casualty insurance programs as well as other risk management related topics.

INITIATIVES FOR FY 2003

- The Board will continue to conduct risk management seminars to train State personnel.
- The Board will continue to implement a coordinated and proactive risk management program.
- The Board will share loss information with State agencies. By identifying risk situations, agencies can establish and implement loss prevention plans to help reduce the severity and/or frequency of losses.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Provide Funds for Increase in Insurance Premiums **2002-2003**
2,217,940

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	3	3	3	0	3
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	203,373	210,615	218,583	0	218,583
Other Expenses	7,687,008	9,351,238	8,922,742	2,217,940	11,140,682
<u>Capital Outlay</u>					
Equipment	0	100	1,000	0	1,000
<u>Other Current Expenses</u>					
Surety Bonds State Officials & Employees	103,436	132,200	153,450	0	153,450
TOTAL - General Fund	7,993,817	9,694,153	9,295,775	2,217,940	11,513,715
Other Expenses	2,127,275	2,252,000	2,457,000	0	2,457,000
TOTAL - Special Transportation Fund	2,127,275	2,252,000	2,457,000	0	2,457,000
TOTAL - ALL FUNDS	10,121,092	11,946,153	11,752,775	2,217,940	13,970,715



GAMING POLICY BOARD

AGENCY PURPOSE

The Gaming Policy Board provides policy direction to the Division of Special Revenue in the implementation of the regulatory provisions covering the conduct and operation of legalized gambling. Statutory responsibilities include:

- Approving, suspending or revoking association licenses.
- Setting greyhound racing and jai alai meeting dates in the State; and approving the types of pari-mutuel wagering to be permitted.
- Advising and assisting the Executive Director of the Division of Special Revenue.
- Approving regulations prior to adoption for all programs including charitable games such as bingo, sealed tickets, bazaars, raffles, and games of chance.
- Advising the Governor on statewide plans and goals for legalized gaming.
- Hearing all appeals of any licensee or applicant for a license aggrieved by a decision of the Executive Director.

AGENCY SUMMARY

<i>Financial Summary</i>	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Other Expenses	2,420	3,400	3,400	0	3,400
TOTAL - General Fund	2,420	3,400	3,400	0	3,400

OPM OFFICE OF POLICY AND MANAGEMENT

AGENCY PURPOSE

- Support the Governor in development, implementation and analysis of various policies.
- Prepare executive budget and execute biennial budgets as passed by the General Assembly.
- Provide analyses, evaluations and recommendations to the Governor and the Secretary regarding the financial implications of state policies and practices.
- Formulate policy pertaining to the relationship between the state and Connecticut's municipalities.
- Improve the effectiveness of state services by ensuring the efficient use of resources through research, policy development and interagency coordination.
- Deliver timely and effective labor relations and collective bargaining services on behalf of the state as an employer.
- Improve the core financial management policies and practices in state agencies.

The Mission of the Office of Policy and Management is to provide information and analysis that the Governor uses to formulate public policy goals for the State and to assist State agencies and municipalities in implementing policy decisions on behalf of the people of Connecticut.

- Provide statewide organizational management to state agencies.
- Ensure the implementation of programs enacted by law.
- Review and approve agency legislative proposals.

RECENT HIGHLIGHTS

The resources of the Office of Policy and Management have been devoted to improving fiscal stability, reducing the overall growth in government, cutting taxes, improving the business climate and providing additional funding to targeted areas to improve the long term economic and competitive outlook for the state, and the health and welfare of Connecticut's citizens. Through the use of interdisciplinary teams comprised of members from the agency's various divisions, the Office of Policy and Management has assisted in the development and implementation of the Governor's goals.

Recent accomplishments include:

- Managed the state budget to a tenth consecutive General Fund surplus and a fully funded budget reserve, which resulted in the state securing a credit rating upgrade.
- Successfully proposed legislation to deal with the City of Waterbury's financial emergency and staffed the Waterbury Financial Planning and Assistance Board.
- As one of the four sponsoring agencies for the Core-CT project, which will replace the state's existing financial and human resource systems, completed the software procurement process and purchased PeopleSoft as the new Core system.
- Continued development and expansion of the Assisted Living Demonstration Project along with other initiatives aimed at improving the planning service system to effectively meet the long-term care needs of Connecticut residents and their families today and into the future.
- Worked with the Departments of Social Services and Children and Families to provide significant community program enhancements and additional specialized residential beds for children with behavioral health needs.
- Successfully negotiated with the State of South Carolina to join the Northeast Compact and to volunteer to serve as

the host state for the region's low-level radioactive waste removal needs.

- Provided staffing to the interim Transportation Strategy Board including assistance in organizing the Transportation Investment Areas and successfully proposed legislation implementing the recommendations of the Transportation Strategy Board.
- Arbitrated and submitted for legislative approval successor contracts with District 1199, Health Care Units, Service and Maintenance Union, and Education Administrators.
- Developed regulations concerning state agency use of credit, debit and charge cards for the payment of licensing fees.
- Continued development of the Connecticut Licensing Info Center (CLIC) website including the construction and implementation of an on-line structured interview for business registry and the conversion of licensing, permitting and registration material to a format available for download from the CLIC website.
- Through the facilitation of the Connecticut Management Advisory Committee, coordinated the development and implementation of statewide policies related to website accessibility and privacy.
- Administered municipal grant programs to provide property tax relief for individuals, exemptions on new machinery and equipment, payment in lieu of taxes on state property and on private colleges and hospitals, and tax-exemptions for manufacturers in distressed and targeted communities.
- Administered state and federal grants for programs of law enforcement, children and youth development, narcotics control, violence reduction, and summer youth recreation.

INITIATIVES FOR FY 2003

- In conjunction with the phased in process to review and update state agency program budget structures, revamp the program prioritization analysis and use such analyses in the budget options process for the 2003 midterm adjustment year.
- Lead efforts to improve the efficiency and effectiveness of the Criminal Justice System through the use of state of the art technology. The Criminal Justice Information System is scheduled to be operational in September of 2003 and will link 18 independent criminal justice databases. OPM is assisting in improvements to the Automated Fingerprint Identification System and the Connecticut On-Line Law Enforcement Telecommunication System.
- Work with the Transportation Strategy Board to develop a 20-year plan for state transportation investments that connect transportation enhancements with economic development needs and is in accordance with the State Plan of Conservation and Development.
- Implement energy cost-savings initiatives, including the installation and utilization of advanced electric meters on the state's 150 largest electric accounts, the voluntary participation of agencies and institutions in the joint purchasing of natural gas commodity services, and the establishment of a pool for the purchase of electric supply for state operations.
- Continue lead role in the development of Adriaen's Landing, a \$771 million economic development project in downtown Hartford, and development of a stadium in East Hartford for the University of Connecticut's football team.
- Continue to collaborate with the Department of Administrative Services, the Department of Information Technology, and the State Comptroller to replace the state's existing human resource and financial systems with targeted implementation dates of January 1, 2003 and July 1, 2003, respectively.

RECOMMENDED ADJUSTMENTS

Reductions	<u>2002-2003</u>
• Repeal 55,000 pound GVW Commercial Truck Exemption	-1,300,000
Technical Adjustments	
• Increase Funding For Elderly Homeowners FREEZE Program Actual expenditures for the program were higher than expected for FY 02 and FY 03 is adjusted accordingly.	870,000
• Increase Funding For Distressed Municipalities Grant Based upon newly projected obligations received from municipalities, an increase is needed for the program.	2,668,000
• Reallocate Funding for Private Provider COLAs Funds have been reallocated to the various Health, Human Services, Correction and Judicial agencies.	-7,500,000
• Continue FY 2002 Savings Program Reductions to the Automated Budget System, Drugs Don't Work, Children and Youth Development, and Boys and Girls Club programs for FY 02 are rolled forward into FY 03.	-353,750
• Eliminate Waste Water Treatment Facility Host Town Grant	-250,000
• Reduce Drug Enforcement Program Appropriations This reduction is consistent with the reductions to the funding of the program for FY 02.	-2,037,051
• Reduce Neighborhood Youth Centers Grant This reduction is consistent with the reductions taken for FY 02.	-500,000
Expansion Adjustments	
• Establish State Disaster Contingency Fund This fund will be used to support emergency management programs and operations to better enable the state to prepare for, and recover from, a disaster.	250,000
• Statewide Training and Preparedness The Statewide Training and Preparedness account will be used to support various training needs throughout the state.	500,000
• Provide Additional Funding For Interlocal Revaluation Agreements Additional funding is provided for municipalities that had agreements in place before 7/1/01 but had not filed.	48,500

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					

General Fund	182	182	182	0	182
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
Financial Summary	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	12,935,196	14,024,922	14,716,345	0	14,716,345
Other Expenses	3,268,061	1,986,086	1,986,086	0	1,986,086
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Census Consultant	250,000	0	0	0	0
Operation Sail 2000	50,000	0	0	0	0
Litigation/Settlement	992,139	0	0	0	0
Hospital Grant and Assistance Program	870,000	0	0	0	0
State Disaster Contingency Fund	0	0	0	250,000	250,000
Statewide Training and Preparedness	0	0	0	500,000	500,000
Automated Budget Sys & Data Base Link	138,632	105,304	155,304	-50,000	105,304
Drugs Don't Work	475,000	403,750	475,000	-71,250	403,750
Spanish American Merchants	115,000	0	0	0	0
SW Sickle Cell Assoc, Inc.	50,000	0	0	0	0
Leadership, Educ, Athletics-Partnership	2,326,700	2,076,700	2,076,700	0	2,076,700
Children and Youth Program Development	1,353,118	552,500	750,000	-197,500	552,500
Cash Management Improvement Act	0	100	100	0	100
Truancy Prevention Program	560,000	0	0	0	0
Justice Assistance Grants	3,476,805	3,200,289	2,288,501	0	2,288,501
Neighborhood Youth Centers	1,846,107	1,346,107	1,846,107	-500,000	1,346,107
High Efficiency Licensing Program	247,009	237,500	250,000	0	250,000
Boys and Girls Club	350,000	315,000	350,000	-35,000	315,000
TOTAL - Other Current Expenses	13,100,510	8,237,250	8,191,712	-103,750	8,087,962
<u>Pmts to Other Than Govts</u>					
Regional Planning Agencies	624,240	0	0	0	0
Tax Relief for Elderly Renters	12,022,996	12,250,000	12,800,000	0	12,800,000
Drug Enforcement Program	1,414,345	1,061,196	1,414,348	0	1,414,348
Arts Grants	8,450,000	0	0	0	0
Private Providers	0	0	7,500,000	-7,500,000	0
TOTAL - Pmts to Other Than Govts	22,511,581	13,311,196	21,714,348	-7,500,000	14,214,348
<u>Pmts to Local Governments</u>					
One Time Surplus Revenue Sharing	34,000,003	0	0	0	0
Reimb Property Tax-Disability Exempt	397,150	430,000	450,000	0	450,000
Distressed Municipalities	5,141,983	6,000,000	6,500,000	2,668,000	9,168,000
Prop Tax Relief Elder-Circuit Breaker	20,561,957	20,500,000	22,000,000	0	22,000,000
Prop Tax Relief Elderly Freeze Program	3,626,625	3,123,000	1,830,000	870,000	2,700,000
Property Tax Relief for Veterans	8,377,002	8,600,000	8,900,000	0	8,900,000
Drug Enforcement Program	4,201,199	3,935,824	9,266,053	-2,037,051	7,229,002
P.I.L.O.T. New Mfg Machine & Equipment	76,144,546	75,000,000	75,500,000	-1,300,000	74,200,000
Interlocal Agreements	87,500	0	0	48,500	48,500
Capital City Economic Development	750,000	750,000	750,000	0	750,000
One-Time LOCIP Grant	11,398,710	0	0	0	0
Waste Water Treatment Facility Host Town	250,000	0	250,000	-250,000	0
TOTAL - Pmts to Local Governments	164,936,675	118,338,824	125,446,053	-551	125,445,502
TOTAL - General Fund	216,753,023	155,899,278	172,055,544	-7,604,301	164,451,243



DEPARTMENT OF VETERANS' AFFAIRS

AGENCY PURPOSE

- To provide comprehensive assistance and formal representation to veterans, their spouses and/or eligible dependents in obtaining rights, benefits and privileges to which they may be entitled under federal, state and local laws.
- To deliver a responsive system of inpatient and long-term health care and clinical support to Connecticut's veterans.
- To provide a domiciliary level of care, substance abuse treatment, and associated services which facilitate rehabilitation and the return to independent living to the greatest extent possible.

RECENT HIGHLIGHTS

- Entered into a comprehensive partnership with the University of Connecticut Health Center for the provision of specialized medical services that provides patients with quality care and makes it easier and more comfortable to receive that care.
- Expanded nursing home and general services to veterans throughout the state thereby increasing the standard of living for veterans and their families while at the same time increasing tax and other revenues for the State.
- Saved \$1 million through the implementation of various initiatives.

INITIATIVES FOR FY 2003

- Continue the process of modifying healthcare delivery methods and increase effectiveness and efficiency through staffing assignments, facility modifications and partnerships with other state and federal agencies where applicable.
- Continue and enhance the agency's efforts to return veterans to community living through education, vocation and placement services.
- Enrich the lives of Connecticut's veteran citizens through the acquisition of federal veterans benefits.

RECOMMENDED ADJUSTMENTS

Reductions	<u>2002-2003</u>
• Additional Personal Services Reduction	-100,000
Technical Adjustments	
• Continue FY 2002 Savings Program	-400,000
• Restore Energy Funding	238,591

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	356	356	356	0	356
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	20,096,728	21,920,195	23,253,633	-500,000	22,753,633
Other Expenses	5,726,172	5,906,995	5,906,995	238,591	6,145,586
<u>Capital Outlay</u>					
Equipment	1,000	2,000	1,000	0	1,000
TOTAL - General Fund	25,823,900	27,829,190	29,161,628	-261,409	28,900,219

Pmts to Other Than Govts

Burial Expenses	1,350	4,500	4,500	0	4,500
Headstones	151,625	243,000	243,000	0	243,000
TOTAL - Pmts to Other Than Govts	<u>152,975</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	<u>247,500</u>
TOTAL - Soldiers', Sailors' and Marines' Fund	<u>152,975</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	<u>247,500</u>
TOTAL - ALL FUNDS	<u>25,976,875</u>	<u>28,076,690</u>	<u>29,409,128</u>	<u>-261,409</u>	<u>29,147,719</u>



OFFICE OF WORKFORCE COMPETITIVENESS

AGENCY PURPOSE

The Office of Workforce Competitiveness (OWC) was established by Governor Rowland by Executive Order and ultimately by the legislature in P.A. 00-192. The OWC serves as the Governor's principal workforce development policy advisor. The legislation establishing the OWC recognizes the essential nature of a skilled workforce to Connecticut's continued economic health and development. The OWC, headed by a Director who reports directly to the Governor, acts as:

- Liaison between the Governor and various federal, state and local entities involved in workforce development issues.

- Staff support to the Connecticut Employment and Training Commission (CETC) and the Governor's JOBS Cabinet.

The CETC, which is a partnership of appointed public and private sector volunteers, oversees the development of statewide workforce investment policy. The Governor's JOBS Cabinet guides the implementation of integrated, coordinated, multi-agency education and training programs and services that are responsive to customers and labor force needs. A major task of the OWC is to oversee implementation of the federal Workforce Investment Act of 1998 on behalf of the Governor, the JOBS Cabinet and the CETC.

INITIATIVES FOR FY 2003

- Assist other entities in the ongoing development and implementation of a comprehensive, statewide employment statistics system which will inform and guide state planning and policy decisions.
- Test and demonstrate model workforce development strategies to improve programs and services for youths, students, job seekers, workers and employers.
- Assist the Workforce Investment Boards, the CETC and the JOBS Cabinet, in building their capacity to meet the various requirements and responsibilities of the Workforce Investment Act (WIA).
- On behalf of the CETC and the JOBS Cabinet, support and guide a workforce development strategic planning initiative involving the higher education community and the state's employers, that includes the use of occupational demand information to enhance curriculum design, the application of distance learning technologies

and the expanded use of certificate programs for incumbent workers.

- On behalf of the CETC and the JOBS Cabinet, coordinate the implementation of a comprehensive and integrated strategy for workforce and career development specific to Connecticut's youth with particular attention to those who are at-risk, out of school or involved with the justice system.
- Coordinate and facilitate the design, development and implementation of a comprehensive One-Stop delivery system in the State of Connecticut.
- Oversee in coordination with DOL and other affected agencies the implementation of a WIA business system. This system will support the operation of the One-Stop service delivery system under Title I of WIA and the employment and training programs administered by the Department of Labor.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce CETC Workforce Appropriation

2002-2003

-262,048

Expansion Adjustments

- Job Funnels Project
Provide Ongoing Funding for Initiative

1,000,000

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<i>Permanent Full-Time Positions</i>					
General Fund	5	5	5	0	5
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	387,074	494,352	509,169	0	509,169
Other Expenses	437,617	500,000	500,000	0	500,000

Capital Outlay

Equipment	0	1,800	1,800	0	1,800
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Other Current Expenses

CETC Workforce	3,428,736	3,856,000	4,230,000	-262,048	3,967,952
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Job Funnels Projects	500,000	0	0	1,000,000	1,000,000
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TOTAL - Other Current Expenses	<u>3,928,736</u>	<u>3,856,000</u>	<u>4,230,000</u>	<u>737,952</u>	<u>4,967,952</u>
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TOTAL - General Fund	<u>4,753,427</u>	<u>4,852,152</u>	<u>5,240,969</u>	<u>737,952</u>	<u>5,978,921</u>
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DEPARTMENT OF ADMINISTRATIVE SERVICES

AGENCY PURPOSE

The Department of Administrative Services (DAS) offers support to state agencies by:

- Providing HR policy direction and assistance.
- Distributing surplus property and federally donated foods.
- Managing the state's fleet of vehicles.
- Collecting money owed the state.
- Assisting state agencies with procurement, document management and financial services.

The Mission of the Department of Administrative Services is to maximize our customers' success in meeting their business needs through the delivery of cost-effective, innovative, and timely management of services and products.

RECENT HIGHLIGHTS

- Connecticut's nationally recognized e-commerce system allows state agencies, cities, towns, and school boards to purchase over a half million products from 92 contracts. Since the program's inception, 28,000 orders have been placed and purchases have totaled over \$32 million. Considerable savings have been achieved as a result of economies of scale. The State's largest school systems saved over \$2 million on the purchase of school supplies in the last year.
- Connecticut is the only state using a purchasing card that covers both travel and commodities. The "P-Card" eliminates approximately 226 transactions per day saving \$45 on each purchase order. There are 1,423 authorized users of the P-Card placing over \$800,000 in orders each month.
- The DAS Financial Services Center collected close to \$676 million in revenue owed the State for services or care provided by state-run programs and facilities.
- The HR Learning Center was established to create an interconnected system of workplace policies and practices while providing training and consultative assistance to agencies.
- Because of our strong "green" procurement program in DAS, Connecticut was 1 of 10 states invited to attend the President's "White House Conference on Government to Government Smart Green Purchasing". DAS has developed contracts for recycled paper and office supplies, less toxic pest control services, energy efficient computers, retread truck tires and recycled content traffic cones.
- The DAS Internet-based system for managing surplus property received the prestigious GII Award for "Government Achievement in the Usage of the Internet to Improve the Effectiveness of Government".
- Developed a Workers' Compensation Partners Program with State agencies, an ergonomic program, a single point of entry program in DMR and DMH, and a targeted settlement program to help combat rising Workers' Compensation costs.
- In an effort to enhance the overall effectiveness of the Workers' Compensation Claims process and reduce total Workers' Compensation Claims costs and out year risk, certain claim liabilities were sold to a private insurer. This will reduce claims in all state agencies and all claimant categories by approximately \$12,000,000.

INITIATIVES FOR FY 2003

- Continue to expand the E-Commerce Program to meet the current goal of \$3 million in orders per month.
- Develop formal mechanisms to ensure customer input into the design, delivery and review of DAS services through increased use of our Internet site, a newly integrated HR Advisory Forum, increased participation in our E-Partners program and expansion of the HR Learning Center.
- Create simple systems that reward value driven performance by expanding and refining our performance measurement and management evaluation systems.
- Streamline and decentralize HR processes by developing a broad banded pay system for managers, establishing a Web-based recruitment and selection system and simplifying and automating the classification process.
- Develop an HR Planning model that incorporates Workforce Planning, Succession Planning, Diversity and Affirmative Action Planning with links to budget development and the MIS Plan.
- Automate and simplify processes and practices including State Travel, Document Management, Donated Foods, On-line Ordering, and Fleet On-line booking for loaner vehicles. Implement the Hospital Billing, Diamond systems and achieve HIPAA compliance.
- Explore the best use for alternative fuel vehicles.
- Provide leadership and support the implementation of DAS business processes as they relate to the Core-CT program.
- Coordinate the transition to a new Third Party Administrator for the Workers' Compensation Program.
- Expand the Master Insurance Program liability portion to include federally funded housing units. The program, which presently groups over 13,500 state funded units under one bid for liability insurance, saves residents approximately \$20 per unit per month.

RECOMMENDED ADJUSTMENTS

	<u>2002-2003</u>
Reductions	
• Adjust Workers' Compensation Administrator Account	-339,508
• Reduce the Communications and Planning Functions to Effect Efficiencies	-400,000
Reallocations or Transfers	
• Transfer Position and Funds to the Office of Victim Advocate	-44,050
• Transfer Position and Funds to the Office of the Child Advocate	-44,800
Technical Adjustments	
• Continue FY 2002 Savings Program	-700,000
• Adjust Funding Due to Elimination of FY 2001 Surplus	190,000
Revenue Adjustments	
• Expand Recoveries from Decedent Estates and Correction Inmates' Assets	324,552
By adding eight durational positions, an additional \$3,500,000 is expected to be recovered.	

AGENCY SUMMARY

<i>Personnel Summary</i>	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<i>Permanent Full-Time Positions</i>					
General Fund	312	312	312	-5	307
<i>Financial Summary</i>	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	17,291,792	18,233,073	19,749,515	-614,298	19,135,217
Other Expenses	2,699,414	2,881,613	2,881,613	-225,811	2,655,802
<i>Capital Outlay</i>					
Equipment	1,000	1,000	1,000	0	1,000
<i>Other Current Expenses</i>					
Loss Control Risk Management	445,663	380,387	537,250	-100,000	437,250
Employees' Review Board	67,975	55,400	55,400	0	55,400
Placement and Training	624,637	0	0	0	0
Disabilities Outreach Program	0	0	0	50,000	50,000
Quality of Work-Life	291,421	350,000	350,000	0	350,000
Refunds of Collections	27,795	52,000	52,000	0	52,000
W. C. Administrator	5,620,005	5,620,008	5,620,008	-339,508	5,280,500
Hospital Billing System	1,028,382	0	0	140,000	140,000
TOTAL - Other Current Expenses	<u>8,105,878</u>	<u>6,457,795</u>	<u>6,614,658</u>	<u>-249,508</u>	<u>6,365,150</u>
TOTAL - General Fund	<u>28,098,084</u>	<u>27,573,481</u>	<u>29,246,786</u>	<u>-1,089,617</u>	<u>28,157,169</u>



DEPARTMENT OF INFORMATION TECHNOLOGY

AGENCY PURPOSE

DOIT was created in 1997 to make the State of Connecticut a leader in the effective use of technology to improve government operations and services. It is carrying out this mission through

consolidating state IT services and resources and developing enterprise-wide solutions to meet the common IT needs among more than 60 client agencies in the executive branch.

RECENT HIGHLIGHTS

- Produced state's first-ever enterprise-wide technology standards governing more than 84 categories of technology used throughout state government.
- Constructing new state-of-the art Data Center to serve as nerve center of state's IT operations.
- Building the Connecticut Education Network linking 1,100 K-12 schools, the state's 350 libraries, and over 100 college and university campuses.
- Co-leading multi-year overhaul of state's core financial systems impacting every state agency.
- Developed state-wide PC contract for state agencies to expedite procurement and maximize savings.
- Leading government-wide effort to launch state's first internet portal, a user-centric on-line gateway to government information and services.
- Launched comprehensive planning process with client agencies to quantify and assess agency IT assets, staffing levels, skill sets of professional IT staff, business needs and technology tools.
- Increased state network speed by ten-fold and increased capacity to enable data to move at 20 times the speed it was one year ago.
- Expanded state's "on-ramp" to the internet from the equivalent of three to 28 lanes.
- Overseeing the state's compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPPA). The law may impact up to 11 state agencies, and establishes federal policy for security of electronic health care transmissions and privacy protections for medical information and medical records.

INITIATIVES FOR FY 2003

- Implement a technical infrastructure capable of supporting rapid development and deployment of e-government applications.
- Provide outreach to client agencies on planning and executing on-line applications.
- Focus on improving IT services to client agencies using project management practices and tools planned and developed in 2000.
- Implement a statewide e-mail and directory services server that will provide standardized e-mail service to all state agencies.
- Deploy state internet portal with a service-based navigation for internet site users.
- Pilot new technologies having beneficial cost, service and operational impacts for potential statewide use.
- Complete Data Center with expanded capabilities to provide improved data processing and other services to client agencies.
- Continue work with the Commission on Education Technology to establish the high speed Connecticut Education Network.
- Continue to employ and improve security measures to protect the state's network and data.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	18	18	18	-1	17
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	1,541,427	1,522,929	1,656,070	-54,131	1,601,939
Other Expenses	5,982,543	4,202,944	4,202,944	0	4,202,944
<u>Capital Outlay</u>					
Equipment	2,000	1,000	1,000	0	1,000

Other Current Expenses

E-Forms Licenses	1,639,830	0	0	0	0
School Wiring	10,000,000	0	0	0	0
CT Education Technology Initiatives	148	0	0	0	0
Automated Personnel System	1,502,299	1,827,233	1,980,359	-58,565	1,921,794
Commission for Educational Technology	115,163	0	0	0	0
Admin-Commission Educational Technology	95,083	0	0	0	0
Health Ins Portability/Accountability Plan	0	1,900,000	0	0	0
Year 2000 Conversion	1,440,966	0	0	0	0
TOTAL - Other Current Expenses	<u>14,793,489</u>	<u>3,727,233</u>	<u>1,980,359</u>	<u>-58,565</u>	<u>1,921,794</u>
TOTAL - General Fund	22,319,459	9,454,106	7,840,373	-112,696	7,727,677



DEPARTMENT OF PUBLIC WORKS

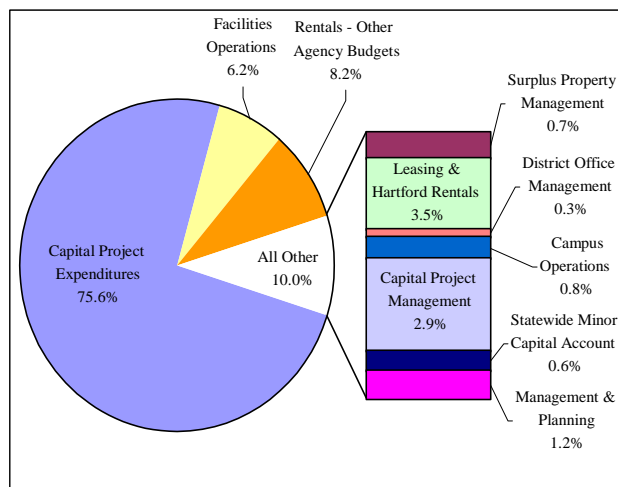
AGENCY PURPOSE

- Supervise care and control (property management) of State property, including buildings and grounds in Hartford, district office facilities in the major urban centers, various locations outside of Hartford by agreement and surplus property of the state, with some exceptions.
- Purchase, lease and acquire property and space for state agencies.
- Provide technical assistance to agencies in developing plans for improvement to their facilities.
- Provide construction planning and construction management services for all capital improvements undertaken by the state, with some exceptions.
- Provide energy management technical support and guidance on the state's energy policy.
- Collaborate with OPM Assets Management in the sale of surplus state property.
- Maintain an inventory of state land and buildings, including space utilization information.
- Establish and maintain security standards for all facilities housing offices and equipment of the state, with some exceptions.

RECENT HIGHLIGHTS

- DPW coordinated the design and construction of an innovative central energy plant for the new Connecticut Juvenile Training School in Middletown. The centerpiece of the energy center involves six 200-kilowatt fuel cells manufactured in CT. The project is consistent with the General Assembly's intent to have the State develop alternative energy sources such as renewable fuel cell technologies. Pollution levels from the plant are anticipated to be significantly lower than emissions from conventional technologies.
- DPW continues to provide energy conservation assistance to all state agencies by taking the lead role in acquiring funding and technical services from Connecticut's electric distribution companies. Since the inception of the Energy Conservation Management Board in 1999, DPW has coordinated energy projects at 27 state buildings.
- DPW is in the final stages of approval of performance energy contracts for two large buildings under the care and control of the department.
- The department provided security assistance to state agencies by performing building security audits and assistance in issue management in the workplace. During the fiscal year, implementation of capital security improvements recommended by building security audits was begun.
- DPW participated in a mutual effort along with the Office of Policy and Management and the Office of the State Comptroller to develop a common database to maintain an inventory of state owned structures. The Joint Effort State Inventory Reporting (JESTIR) database will allow improved management of statewide land and building inventories.
- The department bonded a total of \$286 million to fund a wide range of multi-million dollar projects from state office buildings, college campus buildings, laboratories, hospitals, and prisons. The department awarded 51 contracts for construction totaling \$123.4 million, the largest value of awards since FY 1992. Major projects initiated include Engleman Hall at Southern CT State University (\$43.6 million), Manchester Community Technical College Phase 2 (\$32.2 million), Page Hall at Connecticut Valley Hospital (\$11.8 million), Stamford Courthouse (\$18.6 million), and Old Library Conversion at Eastern CT State University (\$7 million).

**State Expenditures from DPW Programs
FY 2001 Cash Outlay - \$277 Million**



INITIATIVES FOR FY 2003

- Initiate an aggressive program of preventive maintenance to help ensure preservation of the State's physical assets, avoid facility-related crises, and curtail costs.
- Refine the capital planning process.
- Pursue technology improvements to expand the DPW home page and presence on the Web, link databases to create a single repository of information for DPW - maintained and leased buildings, and develop an electronic project tracking system for storage and retrieval of project-related documents.
- Expand the safety, environmental and code compliance initiatives to ensure all DPW-owned and leased buildings meet federal and state requirements.

- Continue efforts to modernize the statewide land and building inventory.
- Partner with the Office of the State Comptroller, the Office of Policy and Management, and the Department of Information Technology to develop a real property management system to meet the varied property inventory needs of state agencies.
- Implement recommendations from the Legislative Program Review and Investigations Committee report on Facilities Management.
- Continue to implement the results of building security audits and administer bond funds for security improvements to state-owned and leased space.
- Expand the use of performance energy contracts as a tool to reduce energy consumption, reduce energy costs, and modernize the state's heating, ventilation, and air conditioning systems.
- Pursue efforts to centralize facility management services to reduce costs and allow agencies to focus on their core business.
- Expand the program monitoring and accountability function.
- Explore ways to generate revenue, such as global construction liability insurance and wireless leasing.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Restore Energy Funding

2002-2003

598,022

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	182	182	182	0	182
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	5,731,838	6,058,415	6,366,648	0	6,366,648
Other Expenses	16,183,359	15,956,972	15,940,393	377,809	16,318,202
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Minor Capital Improvements	1,652,668	0	0	0	0
Management Services	5,035,950	5,353,397	5,341,395	220,213	5,561,608
Litigation Settlement Costs	1,311,390	0	0	0	0
Rents and Moving	9,154,169	7,801,288	7,772,311	0	7,772,311
Capitol Day Care Center	99,544	109,250	109,250	0	109,250
Facilities Design Expenses	4,479,499	5,259,287	5,572,849	0	5,572,849
TOTAL - Other Current Expenses	21,733,220	18,523,222	18,795,805	220,213	19,016,018
TOTAL - General Fund	43,649,417	40,539,609	41,103,846	598,022	41,701,868



ATTORNEY GENERAL

AGENCY PURPOSE

The Attorney General is the chief legal officer of the State of Connecticut. The Attorney General's office serves as legal counsel to all state agencies and represents the people of the State of Connecticut to protect the public interest. Critical missions of this office include:

- Represent and advocate the interests of the state and its citizens as vigorously as possible.

- Ensure that state government acts within the letter and spirit of the law.
- Protect public resources for present and future generations.
- Preserve and enhance the quality of life for all of our citizens.
- Safeguard the rights of our most vulnerable citizens.

RECENT HIGHLIGHTS

- Reached a \$1.1 million settlement with Qwest Communications requiring the telecommunications company to stop "slamming" Connecticut residents, billing consumers for services not provided, and charging consumers when they are no longer Qwest customers. The settlement also provides for restitution to Connecticut residents who were victims of Qwest's abuses.
- Reached a nearly \$12 million settlement with Masonic Geriatric Healthcare Center (MGHC) of Wallingford for improperly reporting its costs, resulting in the overpayment of Medicaid funds by Department of Social Services.

Under the terms of the settlement, MGHC will return the \$10,886,000 in Medicaid overpayments and pay an additional \$1,014,000 for costs associated with the inquiry conducted by the Attorney General's Office and DSS. MGHC will also establish a Corporate Integrity Program, which will provide policies and procedures to ensure that payment or reimbursement from the State Medical Assistance Program conforms with applicable statutes and regulations.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	328	330	330	0	330
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	23,501,098	25,569,858	26,718,397	0	26,718,397
Other Expenses	1,905,359	1,275,387	1,278,012	0	1,278,012
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Police Wiretap Case	1,190	0	0	0	0
TOTAL - General Fund	25,408,647	26,846,245	27,997,409	0	27,997,409



OFFICE OF THE CLAIMS COMMISSIONER

AGENCY PURPOSE

- Receive claims filed against the state pursuant to section 4-141 of the Connecticut General Statutes.
- Conduct hearings for claims seeking more than \$7,500 and/or permission to sue the state.
- Adjudicate, with or without hearings, all claims against the state for less than \$7,500.
- Process all claims in an expeditious manner.
- Decide which claims are “just and equitable” and meet the other statutory elements warranting a waiver of the Sovereign Immunity of the State.

RECENT HIGHLIGHTS

- Continued to reduce the backlog of claims.
- Initiated substantial changes in the way claims are processed to improve efficiency.
- Worked with the Department of Correction to reduce the number of inmate claims being filed.

INITIATIVES FOR FY 2003

- Continue to decrease the backlog of claims to achieve the agency's goal of processing all claims within a set, reasonable period of time.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Provide Funding to Employ Additional Hearings Officers

2002-2003

20,000

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	4	4	4	0	4
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	218,184	238,521	249,678	0	249,678
Other Expenses	24,368	31,258	31,258	20,000	51,258
<u>Capital Outlay</u>					
Equipment	0	100	100	0	100
<u>Other Current Expenses</u>					
Adjudicated Claims	125,119	100,000	105,000	0	105,000
TOTAL - General Fund	367,671	369,879	386,036	20,000	406,036

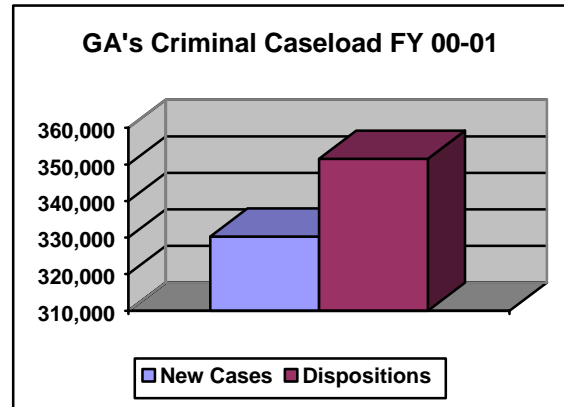
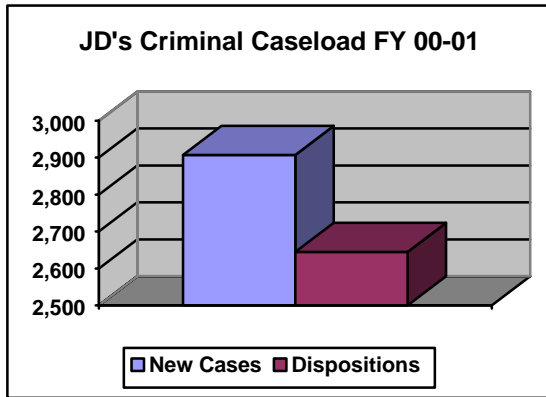


DIVISION OF CRIMINAL JUSTICE

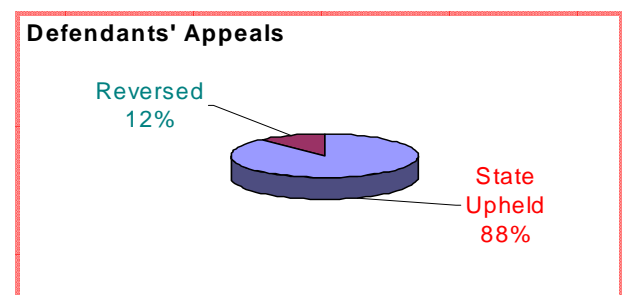
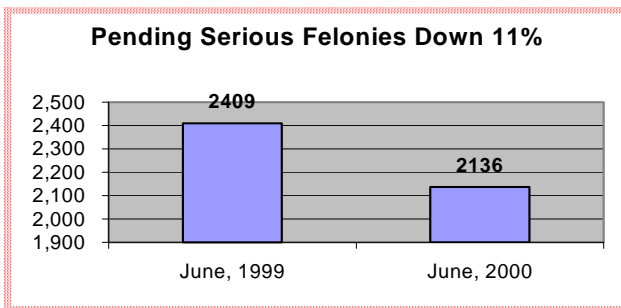
AGENCY PURPOSE

- To investigate and prosecute crime in Connecticut.
- The Division of Criminal Justice (DCJ) operates out of some 50 offices, located in 13 Judicial Districts, 22 Geographic Areas, 13 Juvenile Matters and 4 Housing Court locations.

RECENT HIGHLIGHTS



- Connecticut currently has thirteen (13) death penalty cases pending in the Superior Court. Another two (2) cases are pending in the Connecticut Supreme Court and two (2) cases in which the death penalty was affirmed are now pending review by the Supreme Court of the United States. The Division utilizes at least two prosecutors in the trial of capital cases because of their complexity. Further, appeals from death sentences routinely take years of state and federal court review. Federal habeas corpus review of death penalty cases may result in a retrial of many issues of the criminal trial and the litigation of new constitutional issues.
- The Division's successful Regional Infractions Adjudication Program (RIAP), begun in 1998 in West Hartford through federal funding, has expanded to the New Haven Judicial District (Geographical Area No. 7, Meriden), the New London Judicial District (Geographical Area No. 21) and will be utilized in future regional court locations. This program has resulted in streamlined adjudication of contested motor vehicle infractions by providing a mechanism for pre-screening of cases before assignment to court and prompt trials for those in which a hearing is scheduled. The use of part-time, per diem, prosecutors has permitted full-time prosecutors to devote more attention to criminal cases and the review of search and arrest warrants.



INITIATIVES FOR FY 2003

- The Division plans to expand its Elder Abuse Unit to combat crimes committed against seniors. The creation of this unit within the Office of the Chief State's Attorney was the result of an aging state population and the increased incidence of crimes against the elderly nationally. These crimes include scams in which life savings are lost, as well as physical abuse suffered by seniors in nursing homes or other care settings. Further, in the aftermath of anthrax mailings and hoaxes, our elderly citizens are still more vulnerable to criminal activity. Prosecutors and

investigators assigned to this unit work cooperatively with local, state and federal agencies. Expansion of the unit will permit still more aggressive outreach efforts in community centers, nursing homes and other settings to gain input from seniors. The unit will continue to vigorously prosecute crimes within their jurisdiction.

- The Division, through federal funding, will initiate a Community Prosecutor in the Judicial District of Ansonia-Milford. Using two awards from the Bureau of Justice Assistance, the Division will provide prosecutorial remedies that directly relate to and impact specific communities and their day-to-day quality of life concerns. Special activities will range from focus groups, data collection and evaluation of delivery systems to determining the impact of diversionary programs. Under a separate federal award, the Division will institute a program that will target prosecution of firearms-related violent crimes in the New Haven Judicial District. Like the Division's successful Nuisance Abatement Unit, the Community Prosecutor will work hand-in-hand with community leaders to address the roots of crime.
- The Division will continue to aggressively target problem properties adversely affecting community quality of life through its Nuisance Abatement Unit. The Nuisance Abatement Program, operating within the Office of the Chief State's Attorney, combines civil remedies and innovative problem solving with traditional policing and criminal prosecution. In the fall of 2001, the unit, with the cooperation of the Hartford Police Department, began a Landlord Training Program that will educate individuals that own/manage over four hundred (400) properties in the City of Hartford.
- The Division will continue its efforts to aggressively target Medicaid fraud through its Medicaid Fraud Control Unit. This unit, in cooperation with the federal government, Medicaid Fraud Control Units in other states and state

agencies, identifies, investigates and prosecutes fraud, whether committed by providers or recipients. The unit was responsible last year for identifying cases that resulted in the collection of \$1,319,270 in overpayments. Similarly, the Provider Fraud Unit of the Health & Social Services Fraud Bureau will continue to investigate and prosecute social service fraud committed by the vendors and providers of such services. Recent efforts to identify and combat Food Stamp fraud also will continue. The Provider Fraud Unit, for example, has collected over \$3,500,000 in court-ordered restitution since its inception.

- The Division operates a "Cold Case Unit" within the Office of the Chief State's Attorney to investigate and, whenever possible, prosecute serious crimes that have gone unsolved for a lengthy period of time. These cases typically include unsolved murders, some dating back decades. Through the use of advanced forensic technology and with the close assistance of the Connecticut State Police and nationally-recognized experts, the unit will continue to identify and scrutinize such unsolved cases so that justice is done.
- In cooperation with the Department of Information Technology, the Division will receive federal funding in support of its State's Attorneys' Case Management Project, which will provide for the design and implementation of a consistent, statewide means of document management for the agency complementary to the CJIS/OBTS initiative. Further, the Division is poised for expansion of its information technology resources statewide. The advent of new case management technologies, electronic legal research media, digital imaging, electronic forms and Internet access are revolutionizing the processes of criminal investigation and prosecution.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	2002-2003
• Adjust Personal Services to Reflect FY02 Statutory Salary Increases	66,000
• Continue FY 2002 Savings Program	-200,000

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	526	526	526	0	526
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	32,084,384	35,229,519	37,120,001	-134,000	36,986,001
Other Expenses	3,284,932	2,766,139	2,734,707	0	2,734,707
<u>Capital Outlay</u>					
Equipment	45,529	622,500	387,500	0	387,500
<u>Other Current Expenses</u>					
Forensic Sex Evidence Exams	251,404	313,158	338,330	0	338,330
Witness Protection	384,276	550,000	550,000	0	550,000

Budget Summary

Training and Education	68,295	80,627	85,155	0	85,155
Expert Witnesses	201,769	200,000	200,000	0	200,000
Medicaid Fraud Control	514,295	658,137	629,816	0	629,816
TOTAL - Other Current Expenses	<u>1,420,039</u>	<u>1,801,922</u>	<u>1,803,301</u>	<u>0</u>	<u>1,803,301</u>
TOTAL - General Fund	<u>36,834,884</u>	<u>40,420,080</u>	<u>42,045,509</u>	<u>-134,000</u>	<u>41,911,509</u>



CRIMINAL JUSTICE COMMISSION

AGENCY PURPOSE

- The Criminal Justice Commission is an autonomous body constitutionally charged to appoint certain prosecutors of the Division of Criminal Justice. The Commission makes appointments of statutorily mandated prosecutors, as well as other prosecutors requested by the Chief State's Attorney, who is responsible for the administration of the Division of Criminal Justice. The Commission's appointment authority includes the Chief State's Attorney, Deputy Chief State's Attorneys, State's Attorneys, and Deputy Assistant State's Attorneys.
- The terms of appointment for prosecutors required by statute are: Chief State's Attorney, five years; Deputy Chief State's Attorneys, four years; and State's Attorneys, eight years.
- The Commission is composed of the Chief State's Attorney and six members nominated by the Governor and appointed by the General Assembly, two of whom must be judges of the Superior Court. The Governor appoints the chairperson.

RECENT HIGHLIGHTS

- Effective June 30, 2001, the Commission reappointed John M. Bailey as Chief State's Attorney and Christopher L. Morano as Deputy Chief State's Attorney for Operations. Mr. Bailey's term runs until June 30, 2006, and Mr. Morano's appointment runs until June 30, 2005.
- During the summer and fall of 2001, the Commission made the following appointments: David Cohen to complete the ongoing term of retiring State's Attorney Eugene Callahan in the Stamford/Norwalk Judicial District; Patricia Froehlich as State's Attorney in the Windham Judicial District; Timothy Liston to complete the ongoing term of retiring State's Attorney John Redway in the Middlesex Judicial District; and Paul Murray as State's Attorney in the Tolland Judicial District.
- On June 30, 2002, the Commission will act on the expiring appointments of the Deputy Chief State's Attorney for Personnel, Finance and Administration and State's Attorneys in the following Judicial Districts: Stamford/Norwalk, Danbury, Ansonia-Milford and Middlesex.

INITIATIVES FOR FY 2003

- In FY 03-04, the Criminal Justice Commission will consider reappointment of the appointments of the State's Attorneys for the Judicial Districts of Hartford and Waterbury, which will expire on June 30, 2004.
- The Commission will continue to act upon other prosecutorial appointment recommendations from the Chief State's Attorney and the State's Attorneys.

AGENCY SUMMARY

	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Financial Summary					
Other Expenses	580	1,195	1,195	0	1,195
TOTAL - General Fund	580	1,195	1,195	0	1,195

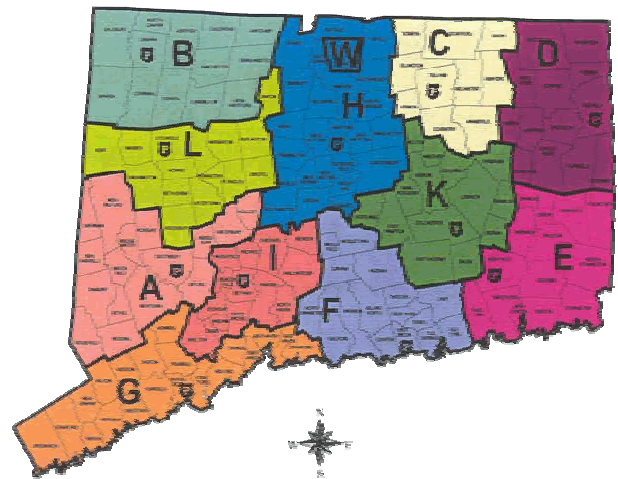


DEPARTMENT OF PUBLIC SAFETY

AGENCY PURPOSE

The Department of Public Safety is committed to providing for the protection of the public by efficient and effective utilization of resources through education, prevention, technology and enforcement activities:

- To solve crime and bring criminals to justice.
- To fairly and impartially enforce state and federal laws and regulations.
- To enhance community services and relations through Community Policing.
- To maintain a progressive working environment of career development and equal opportunities.
- To achieve the highest level of professionalism, ethics, and standards.
- To foster mutual and collaborative efforts among the various disciplines both inside and outside the Department.
- To acquire and maintain effective and efficient technology and facilities which provide a quality work environment.



TROOP MAP

RECENT HIGHLIGHTS

- On July 5, 2001 the State Police took delivery of its new helicopter, which was immediately put into service. The success of this aircraft has been immense. The helicopter has assisted local police departments in investigating shootings and escapes and in searching for lost individuals.
- The events of September 11, 2001 caused the department to go on heightened alert throughout the State. Twenty-eight (28) additional troopers have been assigned to Bradley International Airport. The agency provided assistance to New York with eleven search and rescue K-9 teams. The Forensic Lab assisted with DNA identification of victims. Troopers were assigned to the New York Victims Office to assist victim's families from Connecticut. Our Emergency Services Unit has responded to numerous Anthrax scares, bomb threats and other threats to citizens.
- The final class to attain the twelve hundred forty-eight (1,248) minimum staffing level graduated on January 17, 2002.
- In the Division of Fire, Emergency and Building Services, training and certification functions of the Offices of State Building Inspector, State Fire Marshal, and Statewide Emergency Telecommunications were merged into the Office of Education and Data Management to further eliminate duplication of personnel, resources and equipment, while increasing program offerings and enhancing program quality.
- The Department has upgraded 911 emergency telephone equipment in 109 local telecommunications centers to a state-of-the-art 911 digital technology, which provides faster access to emergency services and a more reliable system that provides the telecommunicator with the general location of the caller and a "call-back" number.
- The Offices of State Fire Marshal and State Building Inspector continue to play a major role in the construction and renovation of several State building projects, including the UCONN Campus and Stadium, Adriaen's Landing, and Central Connecticut State University Campus.

INITIATIVES FOR FY 2003

- Upgrading of the Statewide Automated Fingerprint Identification System (AFIS).
- Begin development of a centrally located Emergency Response Center in Cheshire.
- Collaborative efforts with the Department of Transportation to develop additional highway operations centers in order to more efficiently address highway safety issues.
- Improvements to existing facilities to enhance our operations in the 21st century. This includes the addition of networks and IT improvements.
- Enhance security for the entire State, in particular at Bradley Airport, and to develop investigative and preventative measures against terrorism.
- Develop and further implement existing forensic databases and create an intelligence system that will increase our ability to solve cold cases and no-suspect cases.
- Merge the training and certification functions of the Office of Statewide Emergency Telecommunications into the Office of Education and Data Management to centralize training and increase program offerings and quality.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	<u>2002-2003</u>
• Adjust Workers' Compensation Claims Account	658,781
• Adjust Funding Due to Elimination of FY 2001 Surplus	1,700,000
• Restore Energy Funding	2,064,414

AGENCY SUMMARY

<i>Personnel Summary</i>	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u><i>Permanent Full-Time Positions</i></u>					
General Fund	1,840	1,880	1,880	0	1,880
<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	90,488,448	106,594,405	111,157,998	1,500,000	112,657,998
Other Expenses	18,482,782	20,264,028	20,324,054	2,264,414	22,588,468
<u><i>Capital Outlay</i></u>					
Equipment	10,000	1,000	1,000	0	1,000
<u><i>Other Current Expenses</i></u>					
Stress Reduction	38,437	53,354	53,354	0	53,354
Fleet Purchase	8,656,129	8,177,748	8,177,748	0	8,177,748
Gun Law Enforcement Task Force	385,977	250,000	500,000	0	500,000
Workers' Compensation Claims	2,915,687	2,691,736	2,085,484	658,781	2,744,265
TOTAL - Other Current Expenses	11,996,230	11,172,838	10,816,586	658,781	11,475,367
<u><i>Pmts to Other Than Govts</i></u>					
Civil Air Patrol	38,692	38,692	38,692	0	38,692
TOTAL - General Fund	121,016,152	138,070,963	142,338,330	4,423,195	146,761,525



POLICE OFFICER STANDARDS AND TRAINING

AGENCY PURPOSE

The Police Officer Standards and Training Council is responsible for the certification of all police officers, law enforcement instructors and police training programs requiring certification throughout the State of Connecticut.

- It is the primary provider of training for municipal, state agency and state university police officers in the areas of basic law enforcement, in-service law enforcement and professional development.
- It is responsible for all of the certified police training activities at the Connecticut Police Academy.
- It develops and revises a comprehensive police training and education plan, which includes approving the operations of police training schools, approving courses of

study, certifying instructors, and setting minimum employment standards and certification requirements.

- It offers professional, advanced, specialized and continuing education to veteran police officers as part of the license renewal process, which requires each police officer to satisfactorily complete at least 45 hours of certified review training every three years.
- It also may revoke the certification, i.e. license, of police officers under certain statutory conditions.

RECENT HIGHLIGHTS

- Developed a Customized Software Program to track the Certification of all Police Officers who require it.
- Completed a review and rewrite of the state's Basic Law Enforcement Officer Curriculum and formally adopted it.

INITIATIVES FOR FY 2003

- The Council is expecting to have its first Police Corps program underway within this fiscal year. This is a federally supported program that will train college graduate police officer candidates in not only basic recruit training but also in community policing and it will go beyond the normal basic training program. The graduating officers will then be assigned by the Council to eligible, higher crime rate police departments.
- The Council is planning to significantly expand the physical facilities at its Connecticut Police Academy grounds in Meriden. Additional dormitory, computer classroom and physical tactics and fitness training center are planned as well as expansion of its law enforcement driver training skid pad and firearms training facility.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Funding for Training at Satellite Academies

2002-2003

-50,000

Technical Adjustments

- Provide Funding for Maintenance of Firearms Training Simulator

5,500

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	27	27	27	0	27
<u>Financial Summary</u>					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	1,522,339	1,673,315	1,749,394	0	1,749,394
Other Expenses	851,207	928,703	909,539	5,500	915,039
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Training at Satellite Academies	0	50,000	50,000	-50,000	0
<u>Pmts to Other Than Govts</u>					
Alzheimer's Association	38,000	0	0	0	0
TOTAL - General Fund	2,412,546	2,653,018	2,709,933	-44,500	2,665,433



BOARD OF FIREARM PERMIT EXAMINERS

AGENCY PURPOSE

- The Board of Firearms Permit Examiners is a seven member board appointed by the Governor to hear appeals in regard to permits to sell or carry pistols and revolvers and permits to carry dangerous weapons.
- In connection with its responsibility, the Board provides information on firearms laws to issuing authorities, attorneys, legislators and the public.

INITIATIVES FOR FY 2003

- Monitor new or changed legislation, that will affect changes to the pistol permit process or the way the Board conducts business. Legislation regarding firearms passed in the 2002 Legislative Session will be reflected in the Laws Pertaining to Firearms update.
- Update the laws pertaining to firearms to reflect changes in the pistol permit process.
- Work with the Department of Information Technology to adapt the agency's website to increase accessibility statewide.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	1	1	1	0	1
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	58,570	62,496	65,496	0	65,496
Other Expenses	32,169	38,121	38,121	0	38,121
<u>Capital Outlay</u>					
Equipment	0	1,000	1,000	0	1,000
TOTAL - General Fund	90,739	101,617	104,617	0	104,617



DEPARTMENT OF MOTOR VEHICLES

AGENCY PURPOSE

- Perform public safety functions through enforcement of the statutes concerning motor vehicles and their operation.
- Issue credentials for motor vehicles, their operators and vehicle-related businesses.
- Deliver high quality, innovative services to customers.
- Impose sanctions on the credential-holders who violate laws and regulations.
- Collect revenues for the construction and maintenance of the State's highways, collect information on revenues, credentials and credential-holders, and provide it to all those with a legitimate need to know.

RECENT HIGHLIGHT

Fiscal Year 2000-01 Fast Facts	
1.5 million	Calls to Phone Center
2.2 million	Visitors to Branch Offices
2.8 million	Registered Motor Vehicles
2.3 million	Licensed Drivers
14,200	Voters Registered
361 million	Revenue Collected by DMV
1.2 million	Emissions Test Administered

- Replaced 1.4 million plates through the reflectorized replacement plate program.
- DMV continues to expand its Home Page at <http://dmvct.org>, which provides customers with our varied services via the Internet.
- Expanded the Department's AAA license renewal partnership by offering license renewal services at AAA offices in Branford, Danbury, Hamden, Orange, Stamford, Stratford, Waterbury, and Westport.
- Received the silver Connecticut Innovation Prize from the Connecticut Quality Improvement Partnership for the Department's license renewal partnership with AAA.

- Seventy percent of agency customers surveyed report total satisfaction with services provided to them.

INITIATIVES FOR FY 2003

- Expand service delivery options for agency customers (i.e. renewal of registrations via internet or by phone).
- Enhance agency technology systems to improve service delivery.
- Strengthen efforts to combat and reduce Driving Under the Influence (DUI).
- Improve driver license security.
- Continue the reflectorized replacement plate program.
- Reduce the number and complexity of forms.
- Improve highway safety by continuing the Commercial Vehicle Information Systems and Network project, which will enhance data flow among state agencies, the federal government and law enforcement personnel regarding the commercial trucking industry.
- Establish a relational linking of the emission and registration databases and enable the future linking of all DMV databases.
- Develop the parameters and implement the procurement of a new emissions program.
- Upgrade DMV's Branch Office facilities and work environment.

RECOMMENDED ADJUSTMENTS

Reductions

- Allow Advertising in DMV Renewal Notices for Registrations and Licenses

2002-2003

-179,754

Technical Adjustments

- Restore Five Positions and Funding for Insurance Enforcement
- Restore Four Positions for Graduated Licenses Program
- Restore Energy Funding

60,000

32,413

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Special Transportation Fund	690	690	690	9	699
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	35,317,778	37,878,038	39,622,867	-98,004	39,524,863
Other Expenses	13,108,268	13,349,549	14,030,887	-49,337	13,981,550
<u>Capital Outlay</u>					
Equipment	622,185	664,979	641,064	0	641,064
<u>Other Current Expenses</u>					
Graduated Licenses	200,000	0	0	0	0
Reflective License Plates	3,672,219	0	0	0	0
Insurance Enforcement	360,000	459,542	514,403	60,000	574,403
Commercial Vehicle Info Sys & Networks Prj	9,198	0	0	0	0
TOTAL - Other Current Expenses	4,241,417	459,542	514,403	60,000	574,403
<u>Pmts to Local Governments</u>					
Grants to Towns-Improve Parking at DMV	225,000	0	0	0	0
TOTAL - Special Transportation Fund	53,514,648	52,352,108	54,809,221	-87,341	54,721,880



MILITARY DEPARTMENT

AGENCY PURPOSE

- The Military Department is comprised of the Connecticut Army National Guard, Air National Guard, Office of Emergency Management, and the State Militia.
- The State mission is to provide trained and disciplined forces for domestic emergencies or as otherwise required by law.
- The federal mission is to maintain properly trained and equipped units available for prompt mobilization for war or national emergencies.
- Collectively, the Connecticut Army and Air National Guards, Office of Emergency Management and the organized Militia augment federal, state, and local authorities in the event of emergencies; provide emergency management planning, funding and training

assistance to communities; and conduct community service programs.



RECENT HIGHLIGHTS

- Responded to the World Trade Center disaster by activating National Guardsmen as well as the Office of Emergency Management.
- The Office of Emergency Management coordinated and performed direct WTC victims' family assistance working with multiple agencies, including the formation of the Connecticut Helps Oversight Council to address long term family needs.
- Deployed National Guardsmen to Connecticut airports and other sensitive facilities.
- Provided security, transportation and medical staff as necessary during the 1199 Health Care Workers Strike.
- Provided assistance to the Commonwealth of Massachusetts by conducting a fire mission in the vicinity of North Hampton, Massachusetts. Each of the two (2) CH-47D aircraft dropped 20,000 gallons of water on the fire.
- Deployed CT National Guardsmen to Salt Lake City, Utah for the 2002 Winter Olympic Games as well as 90 soldiers to Nicaragua.
- Planned construction of the new administrative building for the First Company Governor's Horse Guard in Avon.
- Planned construction of the \$13 million Air National Guard radar station in Orange.
- Initiated the Air National Guard educational program "Starbase" at the Brainard Field Air Complex to benefit at-risk youth in math, science and technology. 228 students have gone through the program with an expected 626 in the next nine months.
- The Adjutant General, as Chairman of the Governor's Domestic Preparedness Task Force, organized and oversaw the formation of a multi-agency Task Force which completed a 3-year State Domestic Preparedness Strategy and a federal grant application for first responder WMD response equipment. This included surveying the first responder needs of all 169 municipalities.

INITIATIVES FOR FY 2003

- Construct at Camp Rowland:
 - The Total Army School System Complex training facility.
 - New Senior Officers' Quarters.
 - New front gate.
- Modernization and expansion of Emergency Management Operations Center.
- Support the deployment of 320 soldiers to Bosnia.
- Expand youth programs sponsored by the National Guard Bureau.
- Continue to upgrade state armories for use during state emergencies.
- Develop a comprehensive plan to respond to terrorism incident planning and consequence management.
- Increase the federal funding and number of communities participating in Local Emergency Management Planning.
- Develop the Army Division Redesign Study (ADRS) for the design and construction of the Military Police and Chemical Decontamination Units.

RECOMMENDED ADJUSTMENTS

Reductions	2002-2003
• Reduce General Fund Support for Funeral Honor Guards Funding for this program will be provided through the Soldiers', Sailors' and Marines' Fund.	-175,000
• Reduce Personal Services Expenditures	-53,041
Reallocations or Transfers	
• Transfer Funding for Honor Guards to the Soldiers', Sailors' and Marines' Fund State funds will provide for two members of the honor guard. Federal funds will be used to reimburse additional members.	0
Technical Adjustments	
• Restore Energy Funding	107,469
Expansion Adjustments	
• Expand the Anti-Terrorism/Security Effort	100,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	63	63	63	-1	62
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	4,017,324	4,950,975	4,444,853	46,959	4,491,812
Other Expenses	2,373,353	2,161,237	2,056,247	107,469	2,163,716
<u>Capital Outlay</u>					
Equipment	933	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Honor Guards	335,570	400,000	400,000	-400,000	0
TOTAL - General Fund	6,727,180	7,513,212	6,902,100	-245,572	6,656,528
<u>Other Current Expenses</u>					
Honor Guards	0	0	0	225,000	225,000
TOTAL - Soldiers', Sailors' and Marines' Fund	0	0	0	225,000	225,000
TOTAL - ALL FUNDS	6,727,180	7,513,212	6,902,100	-20,572	6,881,528



COMMISSION ON FIRE PREVENTION AND CONTROL

AGENCY PURPOSE

- Reduce death, injury and property damage due to fire and other man-made or natural disasters by increasing the proficiency of firefighters through training, education and certification.
- Provide technical assistance, guidance and resource services to the fire service.
- Raise the fire safety awareness level of the public.

RECENT HIGHLIGHTS

- With the Office of Policy and Management, administered the Thermal Imaging Camera Grant Program.
- Established a bookstore operation at the Connecticut Fire Academy to enable fire services ease of access to technical and reference materials in support of training and certification.
- Broke ground for the Connecticut Firefighters Memorial on the grounds of the Fire Academy in Windsor Locks.

INITIATIVES FOR FY 2003

- Promote and expand the delivery of Candidate Physical Ability Testing (CPAT) examinations for firefighting candidates.
- Promote bookstore operation at the Connecticut Fire Academy to enable fire services ease of access to technical and reference materials in support of training and certification.
- Increase use of the agency's internet e-mail list server, agency internet homepage and ConneCT web site to enhance communications with constituents.
- Increase fire service proficiency in responding to hazardous material and terrorism events.
- Implement statewide fire-rescue disaster response plan.
- Increase dissemination of fire and life safety education materials.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	23	23	23	0	23
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	1,350,658	1,516,557	1,595,423	0	1,595,423
Other Expenses	590,005	612,898	612,898	0	612,898
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Pmts to Other Than Govts</u>					
Payments to Volunteer Fire Companies	252,000	240,000	240,000	0	240,000
TOTAL - General Fund	2,193,663	2,370,455	2,449,321	0	2,449,321



DEPARTMENT OF BANKING

AGENCY PURPOSE

- Ensure the safety and soundness of regulated depository institutions.
- Administer the state's banking and related laws.
- Protect Connecticut consumers and investors.

RECENT HIGHLIGHTS

- During 2000-01, three new state-chartered banks, The Bank of Southern Connecticut, in New Haven, The Apple Valley Bank & Trust Company, in Cheshire, and The Community's Bank, in Bridgeport, opened for business. Two new state-chartered banks were also in organization, and two applications for new banks were pending before the Department. This trend for the establishment of new banks is expected to continue as Department officials hold informal discussions with interested organizers from other areas within the state.
- The Department of Banking established a new Advisory Committee on International Banking. The advisory committee, which met for the first time in May 2001, will provide a forum for international banks licensed by the department to meet with the Commissioner and senior staff to discuss important industry issues. Five foreign banking institutions now maintain branches or offices that are regulated by the Department. They are: Swiss-based UBS AG, and Abbey National Treasury Services plc, of England and Wales, both in Stamford; Bank of Ireland, Societe Generale, Paris, Republic of France, and Royal Bank of Canada, all in Greenwich.
- During 2000-01, over \$7 million was returned to consumers and investors through the Department's efforts.
- Securities Division intervention in ensuring that Connecticut investors receive rescission and restitution, when possible, remained a primary objective, as did the disgorgement of ill-gotten gains by violators of the state's securities laws. During 2000-01, Division intervention helped facilitate the return of over \$5 million to investors. In addition, monetary sanctions imposed by the Division for violations of state law totaled almost \$400,000.
- The amount of adjustments and reimbursements that were obtained on behalf of consumers from the Consumer Credit Division's complaint function continued to increase. During the period, reimbursements and adjustments to consumers increased from \$1,532,304 to \$1,939,066, a gain of over 26% from the previous fiscal year.
- The Securities Division completed a full-scale review and revamping of broker-dealer, investment advisory and branch office registration forms to simplify compliance and ensure uniformity with other states. The Division also continued to establish informal benchmarks to avoid delays in its registration and licensing processes.
- The Personnel Division converted from manual to automated Time and Attendance tracking, allowing time keeping and accrual calculations to be accomplished more quickly and efficiently.

INITIATIVES FOR FY 2003

- Complete development of the agency's Banking Integrated Public Service Systems ("BIPSS").
- Continue to refine and enhance the web-based Investment Advisor Registration Database, a national database, which was successfully launched in 2001 in cooperation with the North American Securities Administrators Association and the National Association of Securities Dealers.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Personal Services and Fringe Benefits Expenditures

2002-2003

-211,515

Technical Adjustments

- Annualize New Lease Cost
- Adjust Personal Services for Maintenance Contract Settlement

367,548

3,152

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Banking Fund	143	143	143	0	143
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	7,855,875	8,517,902	9,078,375	-146,848	8,931,527
Other Expenses	1,745,679	2,390,399	2,390,399	367,548	2,757,947
<u>Capital Outlay</u>					
Equipment	171,280	147,858	134,100	0	134,100
<u>Other Current Expenses</u>					
Fringe Benefits	3,149,147	3,534,732	3,792,572	-61,515	3,731,057
Indirect Overhead	183,294	379,313	379,313	0	379,313
TOTAL - Other Current Expenses	3,332,441	3,914,045	4,171,885	-61,515	4,110,370
TOTAL - Banking Fund	13,105,275	14,970,204	15,774,759	159,185	15,933,944



INSURANCE DEPARTMENT

AGENCY PURPOSE

- To protect the consumer by administering and enforcing the insurance laws and regulations in the most responsive and cost effective manner.
- To ensure financial reliability and responsibility of all licensed entities while maintaining an open, competitive market.

RECENT HIGHLIGHTS

- The Life and Health Division (L&H), in conjunction with the NAIC, went live on SERFF (System for Electronic Rate and Form Filings) for all Life and Health filings in October of 2001. L&H is a member of the NAIC CARFRA Committee and is responsible for overseeing the "Speed to Market" initiatives. L&H has been working with the committee to set the standards for the limited launch products (individual term life, individual flexible premium deferred annuities, individual and group Medicare supplement).
- The Property & Casualty Division (P&C) acted pursuant to the NAIC's "Speed to Market" initiatives to reduce the time it takes for insurers to bring new insurance products to the Connecticut market. On December 30, 2000, P&C issued 15 bulletins to update and simplify information needed by insurers to submit rate, rule and form filings in Connecticut and to conduct their insurance business in the State. The new bulletins replaced over 150 bulletins. P&C established data base requirements for electronic filing of insurance company programs. In June 2001, insurers began submitting electronic rate, rule and form filings through the NAIC SERFF program.
- In addition to responding to over 14,000 consumer complaints in the last fiscal year, the Consumer Affairs Division of the Insurance Department continues to expand its outreach programs to Chambers of Commerce (to target small employers) and minority communities. The outreach program, designed to educate the public on Department resources available to them, reached over 4,000 Connecticut residents last year.
- The Commissioner's Office has reviewed numerous administrative bulletins that had been issued and rescinded 126 obsolete ones. The Commissioner's Office is currently reviewing the Insurance Department's regulations and a recommendation will be made as to which regulations should be repealed or are in need of substantial modification.
- The Commissioner was named Co-Chair of National Association of Insurance Commissioners' (NAIC) Coordinating with Federal Regulators Working Group.
- During the year the Federal/International Relations Office established working relationships and executed a memorandum of understanding with the Federal Reserve Board, Office of the Comptrollers of the Currency, Office of Thrift Supervision, Federal Deposit of Insurance Corporation and the Connecticut Banking Department to promote information sharing and cooperation with respect to matters involving the functional regulation of insurance as required by the Gramm-Leach-Bliley Act of 1999.
- The Computer Support Systems Unit has automated the biennial producer licensing renewal process. The producer renewal component is the initial module to be implemented from our redesigned Department-wide information system. The automated system streamlined the renewal effort and eliminated our previous need to contract with vendors and temporary assistance organizations to provide help with the process.

INITIATIVES FOR FY 2003

- Complete first phase of migration of our critical information system applications from a proprietary Wang environment and the transformation of certain paper intensive business processes into a unified, Department-wide computer information system. The new information system will allow the Department to better serve the public and to monitor the insurance industry by providing a broad range of internet services and data mining capabilities that will allow informed decisions to be made on legislation, regulatory costs, and business operation matters.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Personal Services and Fringe Benefits Expenditures

2002-2003

-366,271

Technical Adjustments

- Adjust Personal Services for Maintenance Contract Settlement

1,717

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Insurance Fund	178	174	174	0	174
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	11,066,538	11,696,921	12,197,414	-258,031	11,939,383
Other Expenses	2,623,053	3,546,882	2,957,011	0	2,957,011
<u>Capital Outlay</u>					
Equipment	256,493	197,000	197,000	0	197,000
<u>Other Current Expenses</u>					
Fringe Benefits	4,416,443	4,854,114	5,098,620	-106,523	4,992,097
Indirect Overhead	236,290	506,360	506,360	0	506,360
TOTAL - Other Current Expenses	4,652,733	5,360,474	5,604,980	-106,523	5,498,457
TOTAL - Insurance Fund	18,598,817	20,801,277	20,956,405	-364,554	20,591,851



OFFICE OF CONSUMER COUNSEL

AGENCY PURPOSE

- The Office of Consumer Counsel (OCC) is an independent state agency with the responsibility of advocating Connecticut consumers' interests in all matters with respect to utility services and public service companies.
- To ensure that all of Connecticut's consumers receive the highest level of utility services at the lowest overall cost, the OCC is authorized to participate in any regulatory or judicial proceedings, federal or state, affecting such interests.
- OCC's statutory responsibility is fulfilled primarily by representing the interests of Connecticut's utility consumers in proceedings before the DPUC which determines rates and services, and before other state and federal regulatory agencies, courts and other forums.
- The OCC is a party to all contested matters before the Department of Public Utility Control (DPUC) and is authorized to appeal decisions in court.

RECENT HIGHLIGHTS

- The OCC has been a forceful advocate in DPUC proceedings, seeking the greatest benefit possible for consumers.
- Service providers spend millions of dollars annually seeking favorable decisions on rate, service, and policy matters with far reaching impacts. The OCC is often the only party in a proceeding scrutinizing, evaluating and prosecuting the full array of issues on behalf of all consumers, and presenting alternatives more beneficial to consumers.
- In FY 00, the OCC was a party to 460 administrative and judicial proceedings, including a significant number of lengthy multiphase cases.
- Consistent with the direction set forth in OCC's recommendations, rate increase requests have been reduced by hundreds of millions of dollars, the quality of services has been maintained or increased, and where excessive rates have been found to exist, rate decreases have been ordered by the DPUC.
- In electric restructuring, dockets have been established to address stranded costs claimed by electric companies, entry conditions, codes of conduct, unbundling, divestiture of generation assets, rates, terms and conditions of the emerging competitive electric industry. OCC's primary goal is to seek beneficial decisions for consumers, maintain and increase consumer protections and afford the opportunity for the competitive marketplace to develop and operate effectively.
- Pursuant to PA 98-28, OCC has established a Consumer Education Advisory Council for electric industry restructuring. The Council advises the DPUC on the development and implementation of the Consumer Education Outreach Program. The goal of the program is to equip consumers to benefit fully from electric competition. To help achieve this, the Consumer Counsel appointed members with background and expertise in a full range of disciplines representing all classes of consumers.
- In telecommunications restructuring, the OCC has participated fully in implementation proceedings before the DPUC to ensure that procedures which will be most effective in providing the intended consumer benefits of competition are fully considered.
- Pursuant to PA 99-222, OCC has established a telephone industry restructuring Consumer Education Advisory Council. The Telecommunications Council advises the DPUC on the development and implementation of the Telecommunications Consumer Education Outreach Program. The goal of the program is to equip customers to benefit fully from telecommunications industry competition. To help achieve this, the Consumer Counsel appointed members with background and expertise in a full range of disciplines representing all classes of customers.
- In proceedings involving natural gas companies, the OCC continues to seek lower rates for consumers. This is particularly important to customers purchasing monopoly services; i.e. customers who do not have the opportunity to save by purchasing their gas competitively and transporting it to their homes or businesses, and who do not have other options with lower costs.
- With respect to water company proceedings, OCC has sought to keep rates as low as possible, commensurate with a high level of service. In an innovative program to reduce the costs of rate cases borne by consumers of smaller water companies, a procedure has been developed by the OCC and DPUC in which those companies may negotiate a settlement which is then submitted to the DPUC.
- In view of the changing needs of consumers, the OCC has expanded its consumer information and assistance capabilities. Staff has been added to increase OCC's ability to respond to consumer inquiries, concerns, complaints and to provide information in this changing environment.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Funding for an Administrative Hearings Specialist

2002-2003

-87,649

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Consumer Counsel/Public Utility Fund	19	19	19	-1	18
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	1,174,161	1,349,308	1,396,131	-61,599	1,334,532
Other Expenses	435,287	489,924	489,924	0	489,924
<u>Capital Outlay</u>					
Equipment	12,925	16,800	16,000	0	16,000
<u>Other Current Expenses</u>					
Fringe Benefits	466,314	560,942	586,196	-26,050	560,146
Indirect Overhead	227	199,899	199,899	0	199,899
TOTAL - Other Current Expenses	466,541	760,841	786,095	-26,050	760,045
TOTAL - Consumer Counsel/Public Utility Fund	2,088,914	2,616,873	2,688,150	-87,649	2,600,501



DEPARTMENT OF PUBLIC UTILITY CONTROL

AGENCY PURPOSE

- To ensure that safe, reliable, and fairly priced utility services are available throughout Connecticut.
- To balance the public's need for adequate utility service at reasonable rates with the providers' right to earn a reasonable return on their investment in those industries still wholly regulated.
- To design and oversee competitive utility service (telephone, commercial/industrial natural gas and electric service) with equity among the competitors while affording customers the economic benefit of competition along with adequate customer service.
- To assure that cable franchises are awarded and operated according to statute and regulation and that customer service is being provided in a timely and courteous manner.
- To perform management audits of public service companies.
- To perform research and analysis to provide data and support for adjudicatory functions.
- To monitor and enforce utility safety requirements.
- To resolve individual consumer complaints.
- To increase consumers' knowledge of their rights.
- To counter-balance utility companies' rate increase requests with an independently prepared, presented and defended opposing case.
- To educate consumers about changes taking place in the utility industry.

RECENT HIGHLIGHTS

- Approved sale of NU's Millstone nuclear plants to Dominion Resources of Virginia for \$1.298 billion, reducing Stranded Costs by \$500 million.
- Petitioned FCC for interim service-specific area code.
- Standard Offer True-up accurately reflects price signals because cost of generating electricity has risen since
- Standard Offer set, allows new suppliers to compete with Standard Offer while not changing customer bills.
- Announced the selection of JP Morgan to administer the auction of the Seabrook Nuclear Plant.

INITIATIVES FOR FY 2003

- Improve and expand electronic filings and transmission.
- Unbundling Phase 2 proceedings underway to determine important elements such as codes of conduct and supplier of last resort.
- Work toward elimination of approval process for long distance tariffs.
- Begin investigations into Certified Local Exchange Carriers approved to do local service to verify obligations have been met to serve any and all consumers in authorized areas as stated in the Certificate Public Convenience Necessity.
- Initiate changes in the mandatory hearing process and approach the legislature on proposals.
- File telecom tariffs electronically and make complete tariffs available on the Web site.
- Enhance and build upon expertise in Alternative Dispute Resolution (ADR). Include adjudicators acting as moderators and facilitators in settlement discussions as well as increased training and participation in telecommunication arbitration cases.
- Restructure adjudication unit to develop clear lines of management supervision for attorneys participating in ADR. Increased use of ADR and separation of adjudicator/attorney to perform these functions demand an enhanced management structure.
- Focused consistent tracking of federal regulatory actions both to keep abreast of trends and federal regulations and to afford the DPUC the ability to timely intervene in cases that affect Connecticut interests.
- Develop a multi-faceted approach to educating consumers in Connecticut about utility regulation and their utility companies generally as well as more specifically on choosing a utility company for industries where competition does or may soon exist. Includes: Brochures, Fact Sheets, Frequently Asked Questions, Utility Scorecard, Speakers Bureau, Interactive Consumer Web Page, Town Hall Meetings, An Annual Report, Utility Tips, Mailings to Consumers, Bill Inserts, Consumer Bulletins and the like.
- Incorporate energy conservation and energy efficiency messages into the Consumer Education Outreach Unit's electric choice educational program.
- Enhance telecommunication systems for the Consumer Assistance and Information Unit with features that would allow consumers to have their most frequently asked questions answered more speedily, without having to speak to a live person. This would help reduce the number of calls that are taken by a live person at the Department.
- Conduct regular surveys and focus groups around the state to measure customer's knowledge, attitudes, expectations and opinions about the utility service they receive and what kinds of information they are looking for as it relates to their utility service.
- Create a more formalized complaint mediation process that would be offered in lieu of a Docket to resolve disputes among consumers and their utility company that could involve a single consumer or a group of consumers and a particular utility or utilities in order to reach more cost-effective, fair and mutually agreed upon settlements.
- In conjunction with the Department's Consumer Scorecard, develop other measurements (i.e. resolving complaints to

the customer's satisfaction, response time, call hold times, abandoned calls, channels, reliability, outage information, customer satisfaction survey's, timeliness in resolving complaints, complaints/revenue generated, etc.) for ranking or evaluating the company's success in delivering quality customer service.

- Develop call and letter complaint standards and objectives for staff in the Consumer Assistance and Information Unit such as response time, hold time, average speed of answer, abandoned call rates, busy signals, % of calls handled by a Voice Response Unit, etc.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Expenditures to Effect Economies

2002-2003

-155,157

Technical Adjustments

- Adjust Personal Services for Maintenance Contract Settlement

1,577

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Consumer Counsel/Public Utility Fund	159	159	159	0	159
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	9,803,859	10,701,969	11,181,376	-85,533	11,095,843
Other Expenses	1,970,379	2,300,508	2,300,228	-25,467	2,274,761
<u>Capital Outlay</u>					
Equipment	78,365	182,790	189,810	-5,776	184,034
<u>Other Current Expenses</u>					
Fringe Benefits	3,827,025	4,457,624	4,711,159	-36,804	4,674,355
Indirect Overhead	0	160,469	160,469	0	160,469
Nuclear Energy Advisory Council	885	10,000	12,000	0	12,000
TOTAL - Other Current Expenses	3,827,910	4,628,093	4,883,628	-36,804	4,846,824
TOTAL - Consumer Counsel/Public Utility Fund	15,680,513	17,813,360	18,555,042	-153,580	18,401,462



OFFICE OF THE MANAGED CARE OMBUDSMAN

AGENCY PURPOSE

- To assist managed care consumers with plan selections, understanding their rights and responsibilities, and accessing services through information, referral and assistance.
- To provide information to the public, providers, agencies, and others regarding problems and concerns of health care consumers and make recommendations to resolve those concerns.

RECENT HIGHLIGHTS

- Facilitated public comment on managed care policies.
- Analyzed and monitored federal, state and local policies related to health insurance consumers and made recommendations as necessary.
- Assisted consumers with filing complaints and appeals.
- Distributed a notice to employers, suitable for posting, concerning the services of the Office.
- Established a toll-free number to assist and provide information to consumers.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Insurance Fund	0	4	4	0	4
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	0	272,772	289,643	10,726	300,369
Other Expenses	0	300,351	300,351	-17,300	283,051
<u>Other Current Expenses</u>					
Fringe Benefits	0	113,130	119,277	6,574	125,851
TOTAL - Insurance Fund	0	686,253	709,271	0	709,271



DEPARTMENT OF CONSUMER PROTECTION

AGENCY PURPOSE

- Eliminate the hazards of adulterated, contaminated, or unsanitary food products by regulating all persons and businesses that manufacture or sell food products in the State of Connecticut.
- Detect and prevent the diversion of drugs from legal distribution channels by regulating all persons and firms involved in the legal distribution of drugs, cosmetics, and medical devices.
- Prevent the sale of alcoholic liquor to minors and intoxicated persons and ensure that licensed premises are safe and sanitary by regulating all persons and firms involved in the distribution, sale, and dispensing of alcoholic liquor.
- Eliminate threats to the health, safety and well-being of Connecticut citizens who interact with a wide variety of service providers in numerous occupational and professional licensing categories by administering a professional licensing procedure to ensure that only qualified, competent individuals are licensed.
- Ensure that indicators of weights and measurements are correct in order to protect both the buyer and seller in marketplace transactions involving the determination of quantity and quality.
- Protect the general public and businesses from unfair, deceptive, or unsafe practices that may be encountered in any trade or commerce occurring within the State of Connecticut through consumer education, mediation, arbitration, and other enforcement activities.

RECENT HIGHLIGHTS

- The Department of Consumer Protection, which was selected by the Office of Policy and Management to pilot the development of electronic commerce by state agencies, continued to work on improvements to customer service through information technology. Enhancements to the agency's centralized software application moved the Department closer to its goals of on-line license renewals, and public access to licensing and consumer complaint information via the Internet.
- The Department successfully implemented the provisions of Public Act 00-118 "An Act Concerning Telephone Solicitation" which resulted in thousands of telephone calls and emails from the public requesting placement on the agency's quarterly list to telemarketers. At least 336,000 registrations have been processed by the agency from Connecticut households that do not want to be contacted by telemarketers, and a private vendor was contracted to maintain and issue the "no call" listing at no cost to the State or to consumers.
- The Department significantly enhanced its enforcement of Connecticut's Liquor Control Act during Fiscal 2000-01 with the acquisition of a federal highway safety grant from the Department of Transportation. This funding enabled the agency to conduct additional sting operations, investigations, inspections, and educational outreach activities related to the prevention of underage drinking and public intoxication.
- The Department increased its efforts to protect consumers from unscrupulous home improvement contractors operating in Connecticut by conducting multi-agency, sting operations which resulted in the arrests of unregistered home improvement contractors, and unprecedented requests for new applications.
- Pursuant to Public Act 00-170, retail gasoline dealers were required to reduce the state gasoline tax by 7 cents. The Department of Consumer Protection was assigned responsibility for ensuring compliance with this new legislation by monitoring retail gasoline prices at stations throughout the State of Connecticut from July through November 2000 to ensure that gasoline price reductions resulting from the tax decrease were, in fact, passed on to consumers. This successful enforcement effort also included the investigation of specific consumer complaints pertaining to gasoline prices.
- During Fiscal 2000-01, the Department worked with other state agencies to investigate the sudden increase in the cost of home heating oil to Connecticut consumers. Among other things, this investigation revealed that certain contracts, with fixed or "capped" prices for home heating fuel, had been violated by the oil companies. As a result of this finding, the Department successfully proposed legislation that requires all home heating oil dealers to register with the agency. This registration also requires that dealers put all contracts with consumers in plain English with all terms and conditions conspicuously shown. Further, it protects consumers by ensuring that only dealers, who are in a position to provide oil as promised at an agreed upon price, will be registered by the Department of Consumer Protection.
- The Department's Strategic Business Planning process continues to provide the agency with the direction and resources necessary to effectively serve both consumers and the regulated industry well into the Twenty-first Century.

INITIATIVES FOR FY 2003

- The Department of Consumer Protection's new agency-wide licensing and complaint-handling software application will be modified during the biennium to implement on-line license renewal utilizing commercial charge cards. This objective, and other electronic commerce initiatives, such as public access to selected information in the agency's database, will be achieved with the assistance of the Office of Policy and Management and the Department of Information Technology.

Budget Summary

- The Department will continue to expand its use of the Internet as a means of communication and customer service to include on-line public access to agency licensee and related records, complaint histories, disciplinary actions, the status of new license applications pending approval and, on-line roster download of active licensees.
- The Department will implement a program allowing walk-in consumers to pay for licenses utilizing commercial charge cards.
- The Department will further enhance enforcement activities specifically designed to prevent underage drinking in the State.
- The Department will coordinate enforcement actions to ensure uniformity, effectiveness, and efficiency among its regulatory programs.
- The Department will expand its consumer outreach activities in order to educate, and thereby protect, its customers from deceptive practices in the marketplace. This effort will include the coordination of divisional consumer education activities by the Commissioner's Office.
- The Department will expand its training program to promote the improvement of service within its major business functions: enforcement; licensing; and, management services.
- The Department will closely monitor the marketplace for any disruption as a result of the September 11, 2001 crisis.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Personal Services Expenditures

2002-2003

-293,327

Revenue Adjustments

- Change Disposition of Surplus of the New Home Construction Fund

Increase monies deposited annually into the Consumer Protection Enforcement Fund by \$100,000 to \$300,000. Any remaining surplus shall be deposited into the General Fund.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	173	174	174	0	174
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	9,457,178	10,226,567	10,706,345	-293,327	10,413,018
Other Expenses	1,121,082	1,150,539	1,152,972	0	1,152,972
<u>Capital Outlay</u>					
Equipment	0	1,000	1,000	0	1,000
TOTAL - General Fund	10,578,260	11,378,106	11,860,317	-293,327	11,566,990



DEPARTMENT OF LABOR

AGENCY PURPOSE

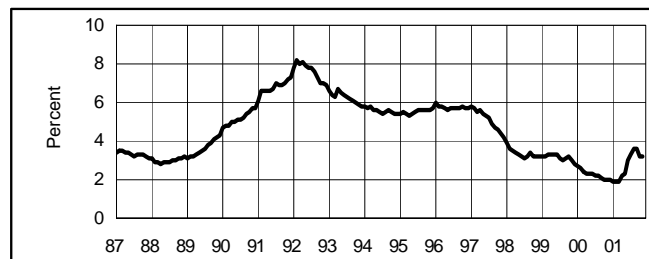
The mission of the Department of Labor is to protect and promote the interests of Connecticut's workers and assist workers and employers to be competitive in the global economy.

- The Department does this by providing a variety of services that benefit the workplace. These include: income support that assists workers between jobs and stimulates the local economy; protection on the job (through wage and safety regulations and on-site consultations); work-related training programs, tax credit incentive programs; job search and recruitment assistance and, maintenance of the collective bargaining relationship. As the Connecticut arm of the U.S. Bureau of Labor Statistics, the Department of Labor (DOL) collects, analyzes and disseminates workforce data to inform businesses, the general public, educational institutions, and government planners and policymakers about employment issues and trends.
- Informational and enforcement responsibilities that serve both workers and employers are assigned to the Department by statutes that cover the payment of wages, collection of Unemployment Insurance (UI) taxes, payment of UI benefits, health and safety, employment of minors, family and medical leaves, representation by labor

organizations and resolution of labor disputes. The services provided by DOL are heavily impacted by Connecticut's unemployment rate.

- The chart below identifies the unemployment rates experienced in the years 1987 through 2001. The data in the chart has been adjusted to discount seasonal influences so that the underlying movement of the data can be observed. An example of seasonal influences would be the layoff of hundreds of temporary retail workers after Christmas.

UNEMPLOYMENT RATE



January 1987 - November 2001 (seasonally adjusted)

RECENT HIGHLIGHTS

- As part of its commitment to continuous improvement, DOL phased in a new 'Dial to File' TeleBenefits system for filing initial unemployment insurance (UI) claims. This new service, utilizing interactive voice technology, allows customers to call into one of two centralized facilities staffed with customer service representatives. The 'Dial to File' program is a continuation of the TeleBenefits service, in place since 1995, that allows callers to file continued UI claims by telephone. This expanded service streamlines the UI process and allows DOL to better serve those seeking employment services. By the end of September 2001, DOL had taken just over 32,000 initial claims since implementation in June of that same year. The total time to determine monetary benefits has been reduced by over 50% due to the elimination of a two-day mail period and a one-day data entry process. Soon after the system went into effect, 1,025 initial claims were taken in a single day; a total that the previous process could not have matched using the same resources. Under this new program, the employee separation packet and related forms are now available by Internet. Staff to assist with initial UI claims, weekly continued claims, and general inquiries have been centralized at two Call centers in Hartford and Hamden.
- DOL's Office of Research, partnered with the Department's field offices, held 12 regional job fairs during fall 2000 through spring 2001. These job fairs, coordinated with Workforce Investment Boards, local chambers of commerce, community colleges, media and community-based organizations, brought together more than 500 employers and 13,000 job seekers. Four more job fairs were held in the fall of 2001.
- In a cooperative effort with the Department of Economic and Community Development (DECD), the Office of Research now supplies labor market data and statistical information to DECD's Business Action Team for use in assisting companies considering expansion and out-of-state firms contemplating relocation. This collaboration is a rapid response type effort that expedites pertinent information that may impact important economic development projects or business issues. Within 24 hours of their request, DECD can receive data ranging from population and labor force levels to wages, job openings, and industry profiles.
- Through the Workforce Investment Act initiative, the Office of Research continues to improve the quality and quantity of data on their Web site. An example of this is the *Connecticut Job & Career ConneCTion*, which is making it easier for job seekers, students, and others to make informed job and career decisions by putting a host of occupation-oriented information at their fingertips. Located on the Agency's home page or at www.ctjobandcareer.org, the *Connecticut Job & Career ConneCTion* is the most comprehensive source of local information on jobs and careers available in Connecticut. In addition to job seekers and students, it is a valuable resource for teachers, counselors, job developers, and anyone else in need of information on jobs and careers. The *Connecticut Job & Career ConneCTion's* uniqueness lies in its inclusion of occupation and career information obtained from the Office of Research's surveys of Connecticut businesses and other relevant sources. Through the integration of current occupation and career information with employment and training data, the *Connecticut Job & Career ConneCTion*

offers unique features for job seekers and career explorers specific to Connecticut. Data includes job descriptions, education and training requirements, wage information, and employment projections for over 800 occupations in Connecticut. The *Connecticut Job & Career ConneCTion* accesses the department's Job Bank to provide information on more than 25,000 jobs in Connecticut. Users can also search an extensive listing of over 140,000 potential employers in Connecticut, focusing on the identification of companies that are likely to hire persons in the occupations in which the job seeker is interested, including contact information and a link to a detailed map showing the employer's location.

- Career areas were reconfigured in two of the One-Stop Centers to provide expanded services to youth. The remaining One-Stop Centers were equipped with new books, videos and other resources oriented toward youth. In a related pilot program, DOL worked with the Department of Children and Families, Juvenile Justice staff, and Our Piece of the Pie (a community-based Hartford organization) to develop expanded services for at-risk youth
- DOL's Tax division continues to implement a new registration imaging system and a program that will allow employers to file quarterly returns via the Internet. In addition, the Division is working on an automated refund system to expedite refunds due back to employers because of overpayment of taxes.
- In another collaborative effort, DOL's Program Support unit and Office of Research worked with the Connecticut Department of Mental Retardation to develop an electronic database for the exclusive use of Connecticut employers of the mentally retarded. This initiative improves the recruitment of personnel to both public and private providers in the state and increases the pool of qualified applicants for employers in the healthcare and human services industry. This system utilizes America's Job Bank free of charge and allows users to conduct preliminary screening of human services candidates. DOL handles system maintenance, implements system enhancements, and provides training on system use.
- DOL's Office of Public Affairs and Business Service Units worked with the Department of Correction to provide the first-ever conference geared toward businesses interested in hiring inmates being released from prison. More than 100 companies attended the conference, which focused on the many educational and workforce services available to inmates as a means to prepare them for the working world.
- DOL has initiated and continues to use a Lean Government approach to continuous improvement in the

areas of customer service and cost reduction. Recognizing DOL's leadership and success, several other states and government agencies have expressed interest in adopting a similar lean program. With DOL's assistance, the city of Anchorage, Alaska reviewed the process and is now implementing its own Lean government project.

- DOL's Office for Performance Management designed and issued quarterly reports to track 17 performance measures outlined by the Workforce Investment Act. Staff is currently implementing a management report that includes these measures, with the goal of providing more effective services to the public. The unit also refined DOL's ability to deliver data in map format using Geographic Information Systems (GIS) software.
- The Wage and Workplace Standards Division incorporated a new database system that permits the unit to track its cases readily and to respond instantly to information requests. Waivers of payroll frequency and deduction from wages can be requested by completing forms, which are submitted instantaneously to the Division. As part of its proactive educational outreach, the Division publishes employer guidebooks, conducts informational workshops for employers, and this year, published a child labor compliance calendar designed by Portland Middle School students for distribution throughout the state.
- DOL continues to support the state's partnership with Job Corps in New Haven. The agency has also expanded its involvement with these services by dedicating resources for a community effort to bring a Job Corps center to Hartford.
- The Employment Security Appeals Division has enhanced its customer service by placing referee hearing schedules on the Internet, and by creating a voice activated telephone information and call routing system. Service improvements designed to increase customer understanding offered to telephone hearing participants were made as a result of recommendations from a customer satisfaction survey.
- More than 90 percent of the cases filed with the Board of Labor Relations were resolved short of a Board hearing, largely due to successful mediation efforts of Assistant Agents. Approximately 50 percent of the cases scheduled for a Board hearing are being pre-tried by Assistant Agents, which has reduced Board time at formal hearings.

INITIATIVES FOR FY 2003

- The Department of Labor in conjunction with the Office for Workforce Competitiveness and the Regional Workforce Investment Boards is developing a computer system that will support the operational and management needs of the State of Connecticut in its administration of employment services under the Workforce Investment Act (WIA). The new system, the Workforce Investment Act Business System (WBS) will support the operation of the State's One-Stop employment service delivery system, will provide case management support for the WIA Adult, Dislocated Worker, and Youth programs, and will provide a comprehensive labor exchange capability where

employers and job seekers are brought together to fill jobs. It will be a Web based system and accessible via the Internet. The WBS will be built upon the department's existing Case Management and Information System (CMIS) that was implemented in 2000. The CMIS supports the administration of the Jobs First Employment Services program, Connecticut's welfare to work initiative. The timetable calls for a fall 2002 implementation, with some components being implemented earlier.

- Working with three Workforce Investment Boards, CTDOL has initiated a project similar to the work accomplished by the agency and the Connecticut Department of Mental

Retardation. Through this initiative, a pilot program has been established to be used exclusively by employers of the Mid-Connecticut, Northeast, and Waterbury Workforce Investment Board regions. This program employs America's Job and Talent Bank and couples them with a new approach to supplying a customer-friendly labor exchange using technology to facilitate the process.

- During program year 2001, the CT DOL has served as the primary partner in Connecticut's Workforce Investment Act System. Against this backdrop, the department is studying its current field system to develop a more flexible service delivery strategy coordinating local needs with available resources

RECOMMENDED ADJUSTMENTS

Reductions	2002-2003
• Reduce Funding for Opportunity Industrial Centers	-100,000
• Reduce Funding for Advanced Earned Income Tax Credit Initiative	-300,000
• Reduce Personal Services Expenditures Related to Wage and Workplace Division	-84,750
• Reduce Personal Services Expenditures Related to Board of Mediation and Arbitration	-133,050
Technical Adjustments	
• Reduce Funding for Vocational & Manpower Training	-200,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	146	146	146	0	146
<u>Financial Summary</u>					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	8,686,357	9,352,598	9,936,519	-217,800	9,718,719
Other Expenses	894,655	948,336	948,336	0	948,336
<u>Capital Outlay</u>					
Equipment	2,000	2,000	2,000	0	2,000
<u>Other Current Expenses</u>					
Workforce Investment Act	15,040,501	23,656,282	23,656,282	0	23,656,282
Vocational and Manpower Training	1,910,582	1,703,082	2,003,082	-200,000	1,803,082
Displaced Homemakers	419,957	0	0	0	0
Regional Workforce Development Boards	428,909	0	0	0	0
Community Employment Incentive Program	2,101,947	0	0	0	0
Summer Youth Employment	832,646	732,646	732,646	0	732,646
Jobs First Employment Services	15,601,518	15,266,658	15,428,037	0	15,428,037
Non-Traditional Occupational Training	321,224	0	0	0	0
Machine Tool Job Training	123,548	0	0	0	0
Welfare-to-Work Grant Program	5,789,756	0	0	0	0
Opportunity Industrial Centers	118,750	563,307	584,932	-100,000	484,932
Individual Development Accounts	400,000	0	0	0	0
Opportunity Certificate and AEITC	272,326	391,000	720,442	-300,000	420,442
TOTAL - Other Current Expenses	43,361,664	42,312,975	43,125,421	-600,000	42,525,421
<u>Pmts to Other Than Govts</u>					
Food Stamp Training Expenses	95,089	0	0	0	0
TOTAL - General Fund	53,039,765	52,615,909	54,012,276	-817,800	53,194,476
<u>Other Current Expenses</u>					
Occupational Health Clinics	638,418	690,244	706,810	0	706,810
TOTAL - Workers' Compensation Fund	638,418	690,244	706,810	0	706,810
TOTAL - ALL FUNDS	53,678,183	53,306,153	54,719,086	-817,800	53,901,286



OFFICE OF VICTIM ADVOCATE

AGENCY PURPOSE

- Monitors and evaluates the provision of services to crime victims in Connecticut.
- Advances policies throughout the state that promote the fair and just treatment of victims throughout the criminal justice system.
- Provides oversight and advocacy when the criminal justice system fails crime victims.
- Ensures that the voices of crime victims play a central role in Connecticut's response to violence and those victimized by crimes.

RECENT HIGHLIGHTS

- The design and implementation of methods for effectively monitoring and evaluating the provision of services to crime victims in Connecticut and the training of direct service providers and criminal justice professionals.
- The Victim Advocate has filed his appearance in numerous court proceedings to effectively advocate for the enforcement of crime victim rights in the courtroom.
- The Victim Advocate has a case pending before the Connecticut Supreme Court to address some very fundamental legal questions regarding the meaning and substance of the state constitutional amendment giving crime victims participatory and other substantive rights within Connecticut's criminal justice system.
- The OVA has launched an intensive study of the policies and procedures of every municipal police department within the state, and the Connecticut State Police, regarding the enforcement of gun seizure laws following the issuance of restraining and protective orders in domestic violence cases.
- In October 2000, the OVA released an investigative report of a murder-suicide that occurred on the East Haven Green in July of 2000. The report, which can be obtained from the OVA's website, highlights numerous systemic problems in the manner in which our criminal justice professionals enforce Connecticut's domestic violence and gun safety laws.
- The OVA proposed several pieces of legislation during the 2001 legislative session to further enhance victim rights. Pursuant to Public Act 01-35, effective October 1, 2001, judges will be required to advise crime victims of their constitutional rights at the opening of arraignment court each day. Connecticut is the first state in the country to have such a law. Other OVA-proposed legislation passed during the 2001 legislative session includes: a law to enhance victim notification when an offender or inmate petitions or applies to the court for either exemption from the sex offender registry or to restrict dissemination of information on the sex offender registry or when an inmate seeks a modification of his/her sentence; a significant change to restitution laws guaranteeing that a crime victim receive a written order of restitution in every criminal matter in Connecticut that can be entered as an enforceable judgment in civil court, even if the convicted individual is indigent at the time of sentencing; an expansion of the Victim Advocate's authority to file his appearance in court proceedings to advocate for crime victims; a law prohibiting a criminal defendant from initiating a frivolous civil lawsuit during the pendency of criminal proceedings; and a law exempting the OVA from paying certain court fees for filing documents in court proceedings.
- The Victim Advocate has made numerous public appearances throughout the state to publicize the existence and function of the OVA and to inform citizens about victim rights in Connecticut.

INITIATIVES FOR FY 2003

- Investigate and resolve victim complaints expeditiously and initiate appropriate legal action in cases that warrant it.
- Monitor and evaluate private organizations and state agencies providing direct services to crime victims and those receiving services under the witness protection program, and working collaboratively and cooperatively with such entities to seek ways to further improve the crime victim/witness services delivery system.
- Help formulate and promote legislative initiatives to protect crime victims' legal rights and to improve the system of services to crime victims/witnesses.
- Educate the public locally and nationally through formal and informal presentations, website, media interviews and dissemination of investigative reports.
- File *amicus curiae* briefs in court cases that may impact upon the enforcement of victim rights in court proceedings.
- Advocate at the state legislature for victim rights and services and develop legislative proposals to deal effectively with systemic issues regarding victim rights, including the enforcement of these rights on a consistent basis throughout the criminal justice system.

RECOMMENDED ADJUSTMENTS

Reallocations or Transfers

2002-2003

- Transfer Position and Funds from the Department of Administrative Services

44,050

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	3	3	3	1	4
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	168,777	196,031	204,953	44,050	249,003
Other Expenses	24,395	38,513	40,129	0	40,129
<u>Capital Outlay</u>					
Equipment	378	3,000	1,000	0	1,000
TOTAL - General Fund	193,550	237,544	246,082	44,050	290,132



COMMISSION ON HUMAN RIGHTS & OPPORTUNITIES

AGENCY PURPOSE

- To enforce human rights laws to end illegal discrimination in employment, housing, public accommodations and credit transactions.
- To monitor compliance with state contract compliance laws and with laws requiring affirmative action in the state government.

RECENT HIGHLIGHTS

- Facilitated the mandated diversity training of all state employees by approving the curriculum materials of many state agencies and produced the first annual report to the General Assembly delineating the results of all state agencies' diversity training efforts.
- Participated in the agency's first Study Circle on Race and Racism, sponsored by the National Conference on Communities and Justice.
- Expanded the website to include many new features, such as a posting of regulations enforced by the agency, commission meeting agendas, declaratory rulings, agency public hearing decisions for the past year, as well as general information and forms. Questions and answers about the agency, procedures for filing discrimination complaints, contract compliance requirements and forms, and diversity and education information were integrated into the website.
- Along with the Department of Information Technology, began the process of developing an automated reporting system for the Small Contractor and Minority Business Enterprise "Set-Aside" Program.
- Developed regulations and rules of practice to ensure consistent procedures governing contested case proceedings.
- During FY 2001, received 2,233 complaint affidavits, closed 2,193 cases, and awarded over \$3.3 million in damages to complainants who alleged they were victims of illegal discrimination.
- Developed a computerized employee training system to centralize staff training data into an automated format for greater accuracy and efficiency.
- Developed and implemented a computerized tracking system to monitor the status of pending freedom of information requests.

INITIATIVES FOR FY 2003

- Continue to improve website to provide better access to CHRO forms and information such as: FAQ's, directions, and hearing officer decisions.
- Streamline forms to make them available through the Internet.
- Continue to improve the working environment of staff.

RECOMMENDED ADJUSTMENTS

	<u>2002-2003</u>
Reductions	
• Eliminate Vacant Position	-57,750
• Eliminate Chief Referee and Additional Referee Position	-95,000
Reallocations or Transfers	
• Reallocate Funding for Referees to Personal Services and Other Expenses	0
Technical Adjustments	
• Correct Personal Services and Human Rights Referees Appropriations and Position Count	0
• Continue FY 2002 Savings Program	-286,000

AGENCY SUMMARY

	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
<i>Personnel Summary</i>	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	112	113	113	-5	108

Budget Summary

Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	5,219,560	5,732,634	5,989,383	469,275	6,458,658
Other Expenses	651,157	568,867	568,867	47,500	616,367
<u>Capital Outlay</u>					
Equipment	0	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Martin Luther King, Jr. Commission	5,230	7,000	7,000	0	7,000
Human Rights Referees	820,440	625,000	955,525	-955,525	0
TOTAL - Other Current Expenses	825,670	632,000	962,525	-955,525	7,000
TOTAL - General Fund	6,696,387	6,934,501	7,521,775	-438,750	7,083,025



OFFICE OF PROTECTION AND ADVOCACY FOR PERSONS WITH DISABILITIES

AGENCY PURPOSE

To protect and advance the civil and human rights of people with disabilities by:

- Investigating and exposing patterns of discrimination and abuse of rights.
- Pursuing legal and administrative remedies for violations of rights.

- Providing information, referral, technical assistance and training to help empower individuals and groups to effectively advocate for themselves.
- Working with advocacy groups, service systems and communities to develop effective safeguards against discrimination and abuse.

RECENT HIGHLIGHTS

- Published investigative reports concerning practices in Elmcrest children's psychiatric hospital and circumstances surrounding the restraint-related death of a prison inmate with mental illness.
- Conducted twelve public forums and extensive survey to elicit consumer input for agency priorities.
- Fully implemented an integrated, electronic case management and management information system for advocacy and legal services unit.
- Trained registrars of voters and disability advocacy groups regarding voting rights of people with disabilities and surveyed accessibility of approximately one-half of the state's polling places.
- Responded to approximately 6,000 requests for information, advice and advocacy assistance, and approximately 1,200 reports of suspected abuse and neglect.
- Developed a comprehensive policy and procedures manual.

INITIATIVES FOR FY 2003

- Complete the information system for the abuse investigation program that will allow improved tracking of cases, monitoring of protective services, and analysis of locations and trends in types of abuse and neglect being reported. Statutory revisions and creation of a separate advisory panel focused on investigation issues will also assist in clarifying the distinct role of this program.
- Organize and train volunteer teams to monitor rights of persons with disabilities living or being educated in board and care homes.
- Further expand outreach to racial and ethnic minority groups by continuing to support community-based, family-centered advocacy organizations within minority communities.
- Sponsor educational forums and hearings to discuss and draw awareness to issues affecting people with disabilities.
- Publish additional timely investigative reports analyzing dynamics contributing to abuse and neglect and recommending improvements to policy and/or systems for prevention.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Continue FY 2002 Savings Program

2002-2003

-60,000

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	37	39	39	0	39
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	2,109,768	2,323,783	2,470,155	-60,000	2,410,155
Other Expenses	392,722	428,274	434,547	0	434,547
<u>Capital Outlay</u>					
Equipment	1,000	1,800	1,000	0	1,000
TOTAL - General Fund	2,503,490	2,753,857	2,905,702	-60,000	2,845,702



OFFICE OF THE CHILD ADVOCATE

AGENCY PURPOSE

The Office of the Child Advocate (OCA) is an independent state agency established in 1995 to protect the civil, legal and special rights of the children of Connecticut and to advance policies throughout the state that promote their well-being and best interests. The mission of the Office of the Child Advocate is to oversee the protection and care of Connecticut's children and to advocate for their well-being. Statutory responsibilities include:

- Evaluating the procedures for and the delivery of services to children by state agencies or other entities that receive public funding.
- Investigating inquiries and complaints regarding children, recommending changes in state policies concerning children and conducting programs of public education.

- Proposing systemic reform through legislative advocacy and formal legal action.
- Reviewing the facilities and procedures at all public and private facilities where children are placed, providing training and technical assistance to children's attorneys.
- Reviewing the number of special needs children in foster or permanent care facilities and recommending changes in placement policies and procedures.
- Chair the Child Fatality Review Panel, which conducts investigations of unexplained or unexpected child fatalities.

RECENT HIGHLIGHTS

- Convened a forum on gender-specific practice in mental health and juvenile justice.
- Completed report on Children with Special Health Care Needs.
- Introduced and successfully advocated for legislation which will create a more efficient, cost effective and higher quality system to serve children with special health care needs and their families.

- Developed and implemented strategies to create systems change based on citizens' concerns as reflected by incoming calls to the office.
- Initiated an annual child fatality report on the causes of Connecticut child fatalities with recommendations for decreasing those numbers.

INITIATIVES FOR FY 2003

- Investigate and make recommendations for system changes regarding special issues, such as the accessibility of mental health services for children and the causes and solutions to the problem of runaway and truant children.
- Identify and advocate for appropriate services, including home and community based, for Family with Service Needs (FWSN) youth.

- Increase and enhance services for youth involved with the juvenile justice system based on individual needs.
- Implement changes to more effectively serve children with special health care needs and their families.
- Enhance capacity to better monitor care of children in out-of-state facilities.

RECOMMENDED ADJUSTMENTS

Reallocations or Transfers

- Transfer Position and Funds from the Department of Administrative Services

2002-2003

44,800

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
Permanent Full-Time Positions					
General Fund	6	8	8	1	9
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	365,112	478,522	500,290	54,800	555,090
Other Expenses	50,585	74,344	71,844	0	71,844
Capital Outlay					
Equipment	0	1,000	1,000	0	1,000
Other Current Expenses					
Child Fatality Review Panel	0	65,631	67,500	0	67,500
TOTAL - General Fund	415,697	619,497	640,634	54,800	695,434



WORKERS' COMPENSATION COMMISSION

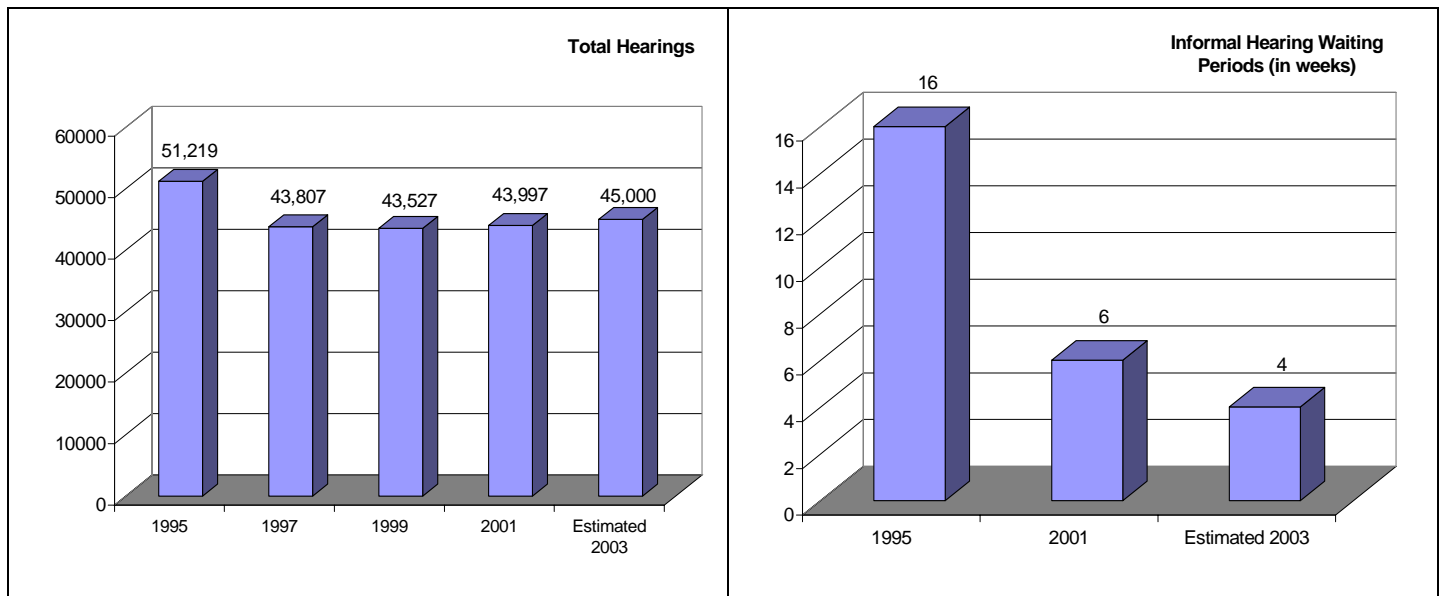
AGENCY PURPOSE

- Adjudicate and administer the Workers' Compensation Act in a fair and equitable manner.
- Promote safety in the workplace.
- Educate employers and employees of their rights and responsibilities under the law.
- Retrain permanently injured employees to enable them to rejoin the workforce.

RECENT HIGHLIGHTS

- The Commission reviewed and implemented additional security measures, i.e., video cameras, automatic locking doors, immediate response silent alarms, and stricter sign-in and identification procedures to provide a more secure environment for our staff and the public.
- As illustrated by hearing statistics gathered by the Commission since 1995, waiting times for all hearings have decreased. Formal hearing waiting times have reduced from 16 weeks in 1995 to 9 weeks in 2000. Informal hearing waiting times which reduced from 16 weeks in 1995 to 6 weeks in 2000 are targeted to drop to four weeks by 2003. These successes are the direct result of increased productivity by staff members and the implementation of efficiency measures agency-wide.
- During the past year, through guidance, counseling and cost-effective short-term training programs, overall rehabilitation services provided to injured workers increased 3%. Initial interviews increased 5% to 1,134; clients receiving rehabilitation services increased 15% to 912; and 754 injured workers returned to the workforce.
- The Commission's website has become a major research tool and distribution service within the state's workers' compensation system. Ranked 9th among all state Workers' Compensation websites, WCC received the Academic Excellence Award as one of the best educational resources on the web. As of July, 2001, the agency's site usage increased by greater than 50% over the previous year, served more than 30,000 users monthly who spent a total of 9,246 hours (420 hours per work day), in agency contact. The site now boasts a collection of more than 1,200 Compensation Review Board (CRB) Opinions cross-linked with 1997, 1999, and 2001 workers' compensation and related statutes and regulations, as well as downloadable and fillable agency forms and publications, Chairman's memoranda, general information, and news. Future projected additions to the site include more than 1,500 CRB Opinions dating back to the creation of the Board in 1980, the inclusion of relevant Appellate and Supreme Court decisions, and the integration of related Public Acts enacted since 1990.

HEARING STATISTICS



INITIATIVES FOR FY 2003

- Expedite claim administration.
- Return more injured workers to productive jobs.
- Promote increased workplace safety and loss control.
- Expand managed care coverage and quality assurance.
- Review self-insurance applicants for financial solvency and eligibility.
- Provide enhanced website services to the public.

RECOMMENDED ADJUSTMENTS**Reductions**

- Reduce Expenditures to Effect Efficiencies

2002-2003

-236,290

Technical Adjustments

- Continue FY 2002 Savings Program

-221,149

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Workers' Compensation Fund	160	160	160	0	160
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	8,439,112	9,358,437	9,867,856	-100,000	9,767,856
Other Expenses	2,911,662	3,545,576	3,554,183	-100,000	3,454,183
<u>Capital Outlay</u>					
Equipment	69,252	125,076	365,500	0	365,500
<u>Other Current Expenses</u>					
Criminal Justice Fraud Unit	430,696	450,097	450,097	0	450,097
Rehabilitative Services	4,147,509	4,201,839	4,541,140	-221,149	4,319,991
Fringe Benefits	2,984,375	3,489,637	3,637,683	-36,290	3,601,393
Indirect Overhead	1,150,863	1,546,155	1,613,524	0	1,613,524
TOTAL - Other Current Expenses	8,713,443	9,687,728	10,242,444	-257,439	9,985,005
TOTAL - Workers' Compensation Fund	20,133,469	22,716,817	24,029,983	-457,439	23,572,544



DEPARTMENT OF AGRICULTURE

AGENCY PURPOSE

To foster a healthy economic, environmental and social climate for agriculture by:

- Developing, promoting, and regulating agricultural businesses.
- Protecting agricultural and aquacultural resources.

- Enforcing laws pertaining to the humane treatment of domestic animals.
- Showcasing the agricultural diversity of Connecticut and highlighting agriculture's contributions to the state's economy and cultural history.

RECENT HIGHLIGHTS

- Assisted in the creation of the Connecticut Agricultural Businesses Cluster and participated in program development.
- Awarded a total of \$1 million in matching grants to 30 farms for capital expansion or to increase diversity of agricultural businesses. In its second year, the Farm Enhancement Program leveraged \$3 million in construction projects.
- Developed a cooperative program with the Connecticut Economic Resource Center and the Connecticut Academy of Science and Engineering designed to measure the feasibility of utilizing farm waste to generate energy.
- Assisted in the completion of a state-of-the-art food distribution center at the Hartford Regional Market developed through a private/public partnership that will bring new revenue into the Market and provide funding for renovating and upgrading facilities.
- Purchased development rights to 16 farms comprised of 1,927 acres at a cost of \$6 million.
- Developed, in cooperation with the Office of Emergency Management, a multi-agency animal emergency response plan to address catastrophic incidents caused either by disease in domestic animals or a weather related phenomenon. GPS mapping locations for all Connecticut dairy, poultry and swine farms were obtained for use with the animal emergency response plan.
- Completed work on an incubator dairy facility at the Lebanon Agriculture Preserve. User fees will maintain the facility.
- Designed and implemented a major radio campaign to promote Connecticut Grown products and, through a partnership with the Food Policy Council, developed a directional map indicating the location of farms open to the public.
- Developed a "train the trainer" program through a grant from USDA to educate professionals of the needs unique to the agricultural industry so that farmers may receive more timely assistance in land and business transfer, crop insurance and related concerns.
- Conducted a survey of all farms mixing feeds to assure compliance with FDA restrictions on certain animal feed ingredients in an effort to prevent the introduction of mad cow disease into Connecticut.
- Assisted USDA in weekly inspection of swine operations to maintain Foot and Mouth Disease free status for Connecticut and the US.
- Completed major renovations on the aquaculture-shellfish hatchery located at Noank in the town of Groton and successfully spawned the first crop of seed oysters, clams and scallops at the facility. Seed will be used to replant town recreational shellfish beds.
- Completed an extensive survey of oyster populations in Long Island Sound to monitor abundance, health and quality of the resource; upgraded and reclassified 800 acres of shellfish growing areas providing additional recreational and commercial shellfish harvesting opportunities for Connecticut's citizens; and planted over 72,000 bushels of oyster cultch shells to increase oyster production and enhance economic development in state-owned beds.
- Trained and certified personnel of 7 new shellfish businesses in the requirements and implementation of Hazard Analyses Critical Control Point (HACCP) food safety programs.

INITIATIVES FOR FY 2003

- Expand cooperative efforts with alternate funding sources to enhance the preservation of agricultural resources.
- Initiate an inner city greenhouse food production program that incorporates private and public funding and high technology energy transfer.
- Implement programs at the Hartford Regional Market to improve traffic flow, renovate exteriors, refurbish interior space and loading docks, and increase diversity of product available.
- Develop a pilot Hazard Analysis Critical Control Points (HACCP) program in cooperation with the Food and Drug Administration (FDA) for Connecticut dairy food processing plants.
- Develop a Dairy Quality Assurance Program to reduce the incidence of dairy cattle diseases that have economic and public health significance.
- Streamline the state and federal permit process for aquaculture industry operations.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	2002-2003
• Continue FY 2002 Savings Program - Connecticut Grown	-295,000
• Regional Market - Restore Funding for Capital Improvements	27,000
• Regional Market - Adjust Personal Services for Maintenance Contract Settlement	2,272

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	62	62	62	0	62
Regional Market Operation Fund	9	9	9	0	9
<u>Financial Summary</u>					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	3,697,076	3,964,317	4,229,527	0	4,229,527
Other Expenses	633,454	719,796	714,010	0	714,010
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Oyster Program	100,000	100,000	100,000	0	100,000
CT Seafood Advisory Council	56,370	47,500	0	0	0
Food Council	46,621	50,000	0	0	0
Vibrio Bacterium Program	6,507	10,000	10,000	0	10,000
Connecticut Wine Council	46,074	45,000	0	0	0
TOTAL - Other Current Expenses	255,572	252,500	110,000	0	110,000
<u>Pmts to Other Than Govts</u>					
WIC Pgm for Fresh Produce for Seniors	93,227	89,611	89,611	0	89,611
Collection of Agricultural Statistics	1,200	1,200	1,200	0	1,200
Tuberculosis and Brucellosis Indemnity	0	1,000	1,000	0	1,000
Exhibits and Demonstrations	5,600	5,600	5,600	0	5,600
Connecticut Grown Product Promotion	15,000	15,000	310,000	-295,000	15,000
WIC Coupon Program for Fresh Produce	77,535	85,371	85,371	0	85,371
TOTAL - General Fund	4,779,664	5,135,395	5,547,319	-295,000	5,252,319
Personal Services	338,776	394,383	414,345	2,272	416,617
Other Expenses	277,935	305,000	313,000	27,000	340,000
<u>Capital Outlay</u>					
Equipment	1,000	16,000	30,000	0	30,000
TOTAL - Regional Market Operation Fund	617,711	715,383	757,345	29,272	786,617
TOTAL - ALL FUNDS	5,397,375	5,850,778	6,304,664	-265,728	6,038,936



DEPARTMENT OF ENVIRONMENTAL PROTECTION

AGENCY PURPOSE

The Agency's purpose is to ensure that:

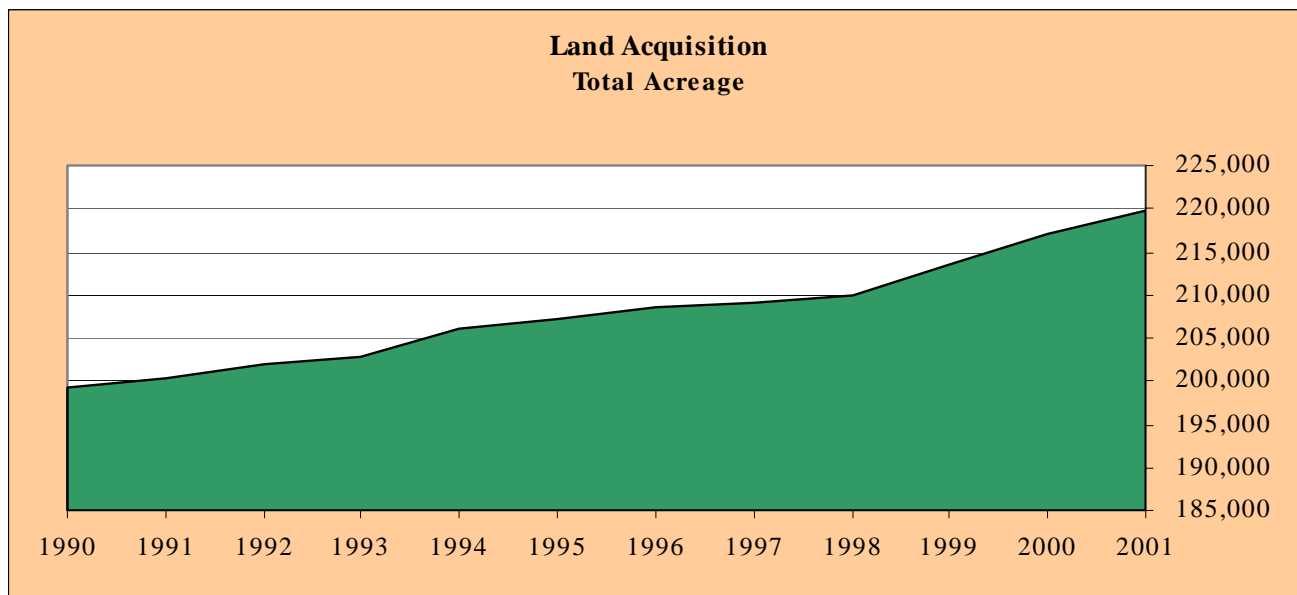
- The State's natural resources are preserved, conserved and protected.
- Strict environmental quality standards are implemented fairly and effectively.
- All parts of society – communities, individuals, business, state and local governments – have access to accurate information sufficient to effectively participate in managing human health and environmental risks.
- Environmental protection contributes to making our communities and ecosystem diverse, sustainable and economically productive.
- In "pursuing a sustainable environment" three overarching themes have been identified – open space acquisition, urban redevelopment and ecosystem management which reflect the understanding that our natural and fiscal resources are finite, and our preservation and utilization of both must be systematically managed.

RECENT HIGHLIGHTS

- Electronic Calendar – DEP was the first agency in the state to provide a real-time, on line calendar of events. The addition of the Electronic Calendar to the agency's web page allows the public to get a glimpse of the many activities undertaken by the agency, including items otherwise found only as legal notices in the newspaper.
- Connecticut Campground Reservation Service – As part of a continuing effort to upgrade the state park system Connecticut Campground Reservation Service made its debut last summer. Campers wishing to make reservations can do so toll free (1-877-668-CAMP) or reserve sites on line at www.reservamerica.com and "click" on camping. The number of campers using State campgrounds has doubled since the reservation system began last summer. More than 50,000 reservations were made for the 2000 and 2001 camping seasons compared to a previous average of 13,000/season.
- Long Island Sound Restoration – DEP's strategic planning and implementation approach to the restoration of Long Island Sound (LIS) is a model for DEP's watershed management efforts. Efforts to restore critical natural resource habitat has complimented the water quality improvements of LIS. Tidal wetland restoration efforts resulted in 111.4 acres restored over the past two years. Over the last 30 years 1600 acres of tidal wetlands have been restored. During 1999 and 2000, 24 miles of riverine corridor were restored for anadromous fish through dam removal or installation of fish passageways. 1999 saw the number of osprey nests increase to 162 active nests with 315-osprey fledglings compared to 9 active nests across the state in 1974.
- Naugatuck River Watershed Restoration – The success of the Naugatuck River Watershed Restoration Project demonstrates DEP's commitment to comprehensive ecosystem management. In addition to cleaning up the River to pre-industrial times and reestablishing a fish passageway and a continuous flow of water in the River for the first time in a century, the effort has assisted in restoring and revitalizing the cities and towns along the River. The project included the reconstruction of the Waterbury and Thomaston Wastewater Treatment Works, the removal of six dams, the completion of a fish ladder at the Kinneytown Dam, re-vegetation of Naugatuck River stream banks in Waterbury and the elimination of combined sewer overflows from the Waterbury downtown area.
- New London Revitalization – A significant revitalization including the restoration of an urban waterfront for public access and recreational uses is highlighted in the recent developments taking place on the Thames River in the City of New London. The initiatives linked to this effort include DEP's restoration at historic 16 acre Fort Trumbull – the State's newest and 94th State Park. The recent \$14 million effort to renovate the park has resulted in a unique waterfront vista for the public that was previously inaccessible. The State Park was opened to the public as the Tall Ships of CT's OPSAIL 2000 sailed in New London Harbor July 12 – 15, 2000. The New London revitalization also includes the urban site remediation and redevelopment assistance DEP has provided Pfizer, Inc. at its Global Development Facility. This initiative is an outstanding example of a private/public partnership; private development on a state remediated brownfield resulting in a world-class facility.
- Environmental Compliance – Connecticut continued to strive for compliance with strict environmental quality standards through permitting, compliance assistance, outreach and traditional enforcement. Between July 1999 – April 2001, DEP conducted 21,556 inspections; 2,642 notices of violations, 433 consent orders and 50 unilateral orders; and brought 68 case referrals to the Attorney General's office.
- Mercury Reduction – Adopted regulations consistent with the New England Governors/Eastern Canadian Premiers Mercury Action Plan that, as of May 1, 2002, will significantly reduce mercury emissions from municipals waste combustors to a level three times more stringent than the most stringent federal limit.
- Sites Remediation – To date, DEP's Urban Site Remediation Program has expended \$30.5 million to clean up contaminated urban sites helping revitalize our urban areas. DEP's remediation program has established an administrative framework which also promotes private voluntary clean ups.
- Protecting Open Space – FY'00 and FY'99 represented the first time in over twenty years that the State acquired over 3,000 acres of open space for two years in a row. The major source of funding for open space acquisition is state bond funds under the Recreation and Natural Heritage Trust Program and the Open Space/Watershed Land Acquisition Program. Over the last three years the National Heritage Trust Program has acquired over half of the acres acquired in the first twelve years of the Program.

- Statewide Coordination of Mosquito Management – The emergence of the mosquito-borne West Nile Virus created an opportunity for CT to effectively and efficiently respond utilizing its established statewide coordinated Mosquito Management Program (MMP). The MMP is a cooperative led by DEP and includes DEP, the Agricultural Experiment Station and the Department of Public Health. Together, these agencies are responsible for monitoring and managing the state's mosquito population levels through an integrated pest management approach to reduce the potential public health threat of mosquito-borne diseases.

Lobster Research – DEP's efforts to identify the conditions that impact lobsters in the Sound and the steps that need to be taken to prevent future die-offs will be on going. Additional focus on documenting water quality conditions in LIS, the abundance and health of the lobster population, and study of the relationship between lobster health and specific stresses in a controlled laboratory setting will be conducted.



INITIATIVES FOR FY 2003

- Strategic Planning Process - In response to recommendations of an organizational evaluation that the DEP underwent last year, DEP is in the process of enhancing its strategic planning efforts. For the first time the Environmental Quality Branch has developed an integrated, comprehensive Strategic Plan that identifies upfront the priorities and associated strategies to solve important environmental problems. By viewing its priorities as interrelated, DEP opens the door to interposing its staff and financial resources across organizational lines toward operative priority goals that will guide its day-to-day operations.
- Environmental Conditions on Line – Over this year DEP will unveil Environmental Conditions on Line (ECO) on its web site. ECO will be the cornerstone for agency-wide access to environmental information. It will offer DEP, for the first time, immediate and direct access to all available geography-based, natural resource and environmental information required to conduct many common business processes and to more efficiently and effectively research and answer frequently asked questions of its diverse constituency.
- Long Island Sound's Nitrogen Waste Load Allocation (WLA) - Over the past decade significant progress has been made to improve the overall health of Long Island Sound. New initiatives such as WLA will help reduce the nitrogen entering the Sound from point source discharges such as municipal sewage treatment plants. Nitrogen is the primary pollutant causing low dissolved oxygen, or hypoxia, in the bottom waters of LIS.
- Air Quality – As part of the State's continuing efforts to improve air quality, DEP established regulations that set the most stringent year-round nitrogen oxide and sulfur oxide standards for power plants and other large stationary sources in the country while keeping the power supply reliable. The regulations will result in significant local emission reduction of sulfur dioxide up to 43% and nitrogen oxides up to 26% greater than the 1999 levels or commitments from more than sixty large sources of air pollution statewide, many of which are located in urban areas, including fossil fuel power plants and large industrial and commercial boilers.
- Reinvesting in the State Park System - Many of the state park structures were built in the 1930s and 1940s with some facilities still heated with wood stoves. DEP will continue its significant renovation of state park facilities under the "2010" capital project infrastructure program. In addition, two new parks Gardner Lake and Salt Rock Campground will be added to the park system.

- Watershed Management - The department will continue to work towards achieving water quality and resource management goals by 2015 through a comprehensive

watershed management program. It is the program's goal to prepare and complete basin overview reports for the five major watersheds by the end of 2002.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	2002-2003
• Restore Energy Funding	39,887
• Provide Funding for Salt Rock Campground - Sprague	211,000
• Provide Funding for Gardner Lake State Park - Salem	125,000

AGENCY SUMMARY

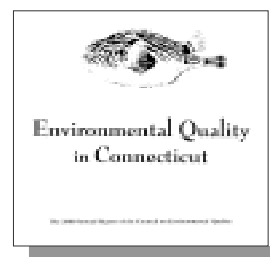
Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	531	462	462	3	465
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	30,617,361	33,254,384	34,123,514	150,000	34,273,514
Other Expenses	3,300,772	3,614,192	3,319,037	157,387	3,476,424
<u>Capital Outlay</u>					
Equipment	119,399	1,000	1,000	68,500	69,500
<u>Other Current Expenses</u>					
Stream Gaging	0	160,000	160,000	0	160,000
Mosquito Control	1,004,178	328,000	337,682	0	337,682
State Superfund Site Maintenance	360,963	600,000	600,000	0	600,000
Charter Oak Open Space Trust	4,000,000	0	0	0	0
Laboratory Fees	280,076	280,076	280,076	0	280,076
Dam Maintenance	113,821	119,245	122,298	0	122,298
Emergency Spill Response	6,633,074	0	0	0	0
Long Island Sound Research Fund	1,000	1,000	1,000	0	1,000
Greenways	100,000	0	0	0	0
Emergency Response Commission	119,581	128,172	135,366	0	135,366
Beardsley Park and Zoo	450,000	450,000	450,000	0	450,000
TOTAL - Other Current Expenses	13,062,693	2,066,493	2,086,422	0	2,086,422
<u>Pmts to Other Than Govts</u>					
Soil Conservation Districts	1,040	1,040	1,040	0	1,040
Agree USGS-Geology Investigation	47,000	47,000	47,000	0	47,000
Agreement USGS-Hydrological Study	124,640	124,640	124,640	0	124,640
N E Interstate Water Pollution Comm.	8,400	8,400	8,400	0	8,400
Northeast Interstate Forest Fire Comp	2,040	2,040	2,040	0	2,040
Conn River Valley Flood Control Comm.	38,890	40,200	40,200	0	40,200
Thames River Valley Flood Control Comm.	48,281	50,200	50,200	0	50,200
Environmental Review Teams	1,000	1,000	1,000	0	1,000
Agree USGS Quality Stream Monitoring	172,710	172,710	172,710	0	172,710
TOTAL - Pmts to Other Than Govts	444,001	447,230	447,230	0	447,230
TOTAL - General Fund	47,544,226	39,383,299	39,977,203	375,887	40,353,090



COUNCIL ON ENVIRONMENTAL QUALITY

AGENCY PURPOSE

- Monitor, analyze and report the status of Connecticut's air, water, land and wildlife.
- Recommend appropriate legislation and program improvements to correct deficiencies in state environmental policy.
- Investigate citizens' complaints on environmental matters.
- Review projects and policies of other state agencies.



INITIATIVES FOR FY 2003

- The Council is working with the Office of Policy and Management and other state agencies in evaluating the Connecticut Environmental Policy Act and its implementation, and proposing recommendations for improvements.
- The agency is expanding its use of electronic communication to make its services known and to receive comments and complaints. The Council maintains a high-priority commitment to assisting all citizens who register complaints or environmental problems.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	2	2	2	0	2
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	116,223	123,243	129,625	0	129,625
Other Expenses	6,470	6,470	6,470	0	6,470
<u>Capital Outlay</u>					
Equipment	1,000	0	0	0	0
TOTAL - General Fund	123,693	129,713	136,095	0	136,095



CONNECTICUT HISTORICAL COMMISSION

AGENCY PURPOSE

- Preserve and protect Connecticut's cultural heritage.
- Administer programs to survey, register, restore, and interpret historic, architectural, and archaeological resources.
- Operate state-owned historic sites: Old New-Gate Prison and Copper Mine, Viets Tavern, Prudence Crandall Museum, Henry Whitfield Museum, Sloane-Stanley Museum, Kent Iron Furnace, and Amos Bull House.



RECENT HIGHLIGHTS

- Assigned over \$400,000 of tax credits under State Historic Homes Rehabilitation Tax Credit Program for projects in process.
- Awarded eight federal grants-in-aid to Certified Local Governments for planning, surveys, and rehabilitations.
- Administered twenty-two state-appropriated Historic Restoration fund grants-in-aid to municipalities and nonprofits.
- Completed historic building inventories for Griswold, Jewett City, Lisbon, Montville, and Voluntown.
- Prepared National Register of Historic Places nominations for eight new districts including three town greens and 22 individual property nominations.
- Published and distributed a booklet on Connecticut's African American Soldiers in the Civil War, 1861-1865.
- Completed a research report for heritage sites associated with General Comte de Rochambeau Revolutionary War Trail in Connecticut, 1781-1782.

INITIATIVES FOR FY 2003

- Since 1966 the Commission has completed surveys of historic sites in 142 towns and inventoried 70,000 properties. The Commission will survey six new towns in FY 2003, which will leave 21 towns to be surveyed.
- Nominate multiple historic buildings and sites associated with General Comte de Rochambeau Revolutionary War Trail in Connecticut for the National Register of Historic Places.
- Nominate the United States Coast Guard Training Ship EAGLE for designation as a National Historic Landmark.
- Research an additional list of 12 sites for inclusion in the Underground Railroad in Connecticut.
- Study additional sites for inclusion on the Connecticut African American Freedom Trail with a special focus on sites associated with African Americans in Connecticut's Military history.
- Co-sponsor annually with the Amistad Committee the celebration of September as the Connecticut African American Freedom Trail month.
- Review an estimated 2500 State and Federal Projects for potential impact on Connecticut's Cultural Resources.
- Administer 30 Grants-in-Aid for the Restoration of Historic Sites and Structures program.
- Promote, review and approve projects for new State Historic Homes Rehabilitation Tax Credit Program as well as projects seeking Federal Tax Credits for the Rehabilitation of Historic Properties.
- Publish and update the brochure on Connecticut's African American Freedom Trail.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Augment Newgate Prison Staffing
- Continue FY 2002 Savings Program

2002-2003

12,557

-50,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	14	14	14	-1	13
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	940,795	1,018,636	1,118,940	-37,443	1,081,497
Other Expenses	97,013	97,099	96,573	0	96,573
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Freedom Trail	32,839	0	0	0	0
Rochambeau's Route	25,000	0	0	0	0
Historical Resource Inventory	30,000	0	0	0	0
TOTAL - Other Current Expenses	87,839	0	0	0	0
TOTAL - General Fund	1,126,647	1,116,735	1,216,513	-37,443	1,179,070



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT



AGENCY PURPOSE

- Responsible for strategies and programs to improve the business environment in Connecticut, provide affordable housing opportunities for moderate and low income families, revitalize neighborhoods and communities, promote job creation and retention and to foster public/private partnerships which strengthen the state's economy, infrastructure and the development capacity of Connecticut's cities and towns.
- DECD has helped position Connecticut to meet the challenges of the new economy by developing and administering flexible and innovative programs and policies that promote business, housing and community development.
- Implement the long-term economic development strategy of its Industry Clusters initiative. DECD has embarked on a new and innovative economic and community development strategy to revitalize our cities, the Connecticut Inner City Business Strategy. These economic and community development strategies are driven by community and industry leaders who are instrumental in the development of public policy and programs that foster economic growth. These private/public partnerships leverage the assets and unique characteristics of our urban areas to support and empower residents.

RECENT HIGHLIGHTS

- DECD, Daimler/Chrysler AG, and Yale University hosted the "New Entrepreneurs in the Global Marketplace", an international technology conference in New Haven, Connecticut in June of 2001. The conference focused on new entrepreneurs in the new economy in both the U.S. and Germany and examined the ways that cutting edge technologies can change and influence the economic landscape. This event was the result of the Governor's trade mission to Germany, which was also the catalyst for two German aerospace companies, MTU and ATENA Engineering, Inc. to locate operations in Connecticut.
- *Access 2001*- DECD, in partnership with Fleet Bank, held a seminar series titled, *Access 2001*, which was designed to support business owners in the development of viable business plans and equip them with the knowledge and tools to attract necessary outside funding. *Access 2001* included a series of seminars and networking opportunities with invited seed investors and community development, venture capital and institutional investors. Grant awards of up to \$20,000 were made by Fleet through a \$100,000 competition that was open to any Connecticut start-up business seeking equity financing.
- DECD launched a new initiative to address the critical issue of environmental liability to support its already successful Brownfield Program, which reclaims contaminated industrial sites around the state for economic revitalization. The agency began accepting applications for *Brownfield Liability Assistance* on July 16, 2001. This new initiative addresses one of the most significant barriers to brownfield redevelopment, the risk of uncertainty in site assessment and remediation or clean up.
- DECD received the prestigious *2001 Phoenix Award* for New England. Given annually to one project in each of the U.S. Environmental Protection Agency's ten regions, the Phoenix Awards recognize and showcase groups who transform abandoned industrial areas that contain environmentally hazardous substances into "productive new uses." The award recognized the outstanding development of the North Colony Street Industrial Park in Meriden, Connecticut. The DECD, the City of Meriden, TI Automotive (formerly known as Walbro Corporation), and the CT Department of Environmental Protection (DEP) worked together for two years to complete the project. It represents a combined investment of more than \$32 million, the reclamation of 15.4 acres, and almost doubled the number of TI Automotive jobs in Meriden to 661.
- The DECD sponsored a series of *Affordable Housing Seminars* for community development corporations and other non-profit and for-profit development organizations that utilize state or other public funds to construct new or rehabilitate existing affordable housing facilities throughout the state. These seminars have been designed to build upon the knowledge developers already have, and strengthen our partnership in revitalizing Connecticut's neighborhoods. The first Housing Production Management Seminar, co-sponsored by DECD and Yale University, was held in New Haven last December. Additional seminars will be held in Norwalk and the Waterbury area.
- *Flexible Housing Fund* - The Legislature approved the DECD's new flexible housing program, which allows the department to provide financial assistance to a variety of affordable housing activities. This assistance may consist of grants, loans, loan guarantees, and deferred loans. The act also expands the housing related initiatives of several previously issued bond authorizations totaling \$32.9 million.
- Over the first two years of its operations, *Connecticut's Aerospace Components Manufacturers' Cluster (ACM)* has made significant progress in enhancing its members' productivity and competitiveness. ACM has grown from six to 36 members. These companies have combined sales of more than \$500 million and employ over 3,000 people. The value of ACM members' investment into the total effort is more than \$1.1 million, resulting in an almost two to one return on the \$590,000 investment by the DECD and the Department of Labor. 159 Lean Manufacturing events and seminars have been conducted, involving 1,500 employees. ACM members are being supported by world-leading Progressive Manufacturing experts, such as the Shingijutsu Group of Japan, as well as by Connecticut-based teams at CONN/STEP and the Center for Lean Business Manufacturing at Rensselaer. The resulting

productivity gains on average are in the 25 percent range and consolidated purchasing contracts are in place for cutting tool inserts, calibration services, abrasive materials, coolants and lubricants, and shop and office supplies. In addition to reaching its goal of 60 member companies and building upon their lean manufacturing success, ACM is in the process of aggressively creating international business development opportunities as well as a unique *Virtual Supply Chain* involving networks of Connecticut firms.

- DECD and FleetBoston Financial in conjunction with Harvard Business School Professor Michael E. Porter's Initiative for a Competitive Inner City (ICIC) launched the *Connecticut Inner City Executive Education Alliance* (Alliance) program. This innovative initiative provided 20 to 25 inner city entrepreneurs or their senior level managers with the advanced business skills needed to gain a competitive advantage in the new economy. The creation

of the Alliance is another indication that Connecticut is a national leader committed to strategically reinvesting in its urban centers. The Alliance will serve as the model for ICIC's 2002 national executive education program.

- DECD, the National Foundation for Teaching Entrepreneurship (NFTE), and Yale University hosted the first *NFTE University's VIP Day* at the Yale School of Management. The fundamental purpose was to recognize corporate supporters, teachers, and other partners involved in Connecticut's mission to provide inner city youth with entrepreneurial skills.
- Streamlined field office structure to improve customer service. DECD now maintains five field offices throughout the state.

INITIATIVES FOR FY 2003

- Pursue new models of housing development and preservation and housing support services to accelerate efforts to address the affordable housing needs of Connecticut. Through the implementation of Connecticut's new Consolidated Plan for Housing and Community Development and the most recent Action Plan for Housing and Community Development, DECD will continue its focus on housing and community development issues and will seek to act as a catalyst and partner in the development of innovative and efficient solutions to the State's housing problems. DECD will work to leverage State and Federal funds to the greatest extent possible to ensure the largest impact and return for the people of Connecticut.
- Work to sustain quality of life in Connecticut through the development of initiatives that focus on the unique character and needs of communities and regions.
- Continue to move forward with Industry Cluster activation assisting emerging industries and preparing and sustaining Connecticut's workforce. Connecticut's workers are the most educated and productive in the world. DECD's continuing workforce development activities remain a key focus in its economic growth strategy. DECD is working to ensure that this most important resource is maintained and strengthened through initiatives such as: the Connecticut Business Training Network program; and, the Precision Machine Training Program and the You Belong in Connecticut campaign. DECD will continue to explore and develop innovative and efficient workforce development initiatives.
- DECD will continue to track and analyze the economic and infrastructure needs of the State, explore innovative development strategies and modify existing programs and services to meet the demands of the new and continuously evolving 21st century economy. When necessary, DECD will create new programs and seek appropriate legislation to support the growth and expansion of existing and emerging industries, including but not limited to manufacturing, biotechnology and electronic commerce.
- Hot-Spot Marketing Campaign – DECD is launching the "Hot Spot" Marketing campaign. This marketing program is an initiative of DECD which positions the agency as the "lead" advocate, promoting the state as hot spot for technology.
- Bioscience Office - Create a Bioscience Office within DECD to act as an ombudsman to assist existing companies and recruit additional companies to the state, and establish a Bioscience Ambassador position to advise the DECD Commissioner. DECD will market the State as a bioscience and information technology (IT) e-business "hot spot."
- Web-Site Redesign – DECD is redesigning its website to increase its user friendliness and usability. The new site will be easier to navigate and will include new interactive tools for obtaining research data.
- Reed-Putnam Redevelopment – The 70 acre project is being undertaken for urban renewal purposes with plans for mixed use including office/commercial, hotel/residential, and mixed use with retail and institutional/recreation. The publicly funded activities will include the construction of a new railroad underpass at Reed Street and local and state transportation and infrastructure improvements.
- The state, through the DECD, will be assisting the City of New Haven with a comprehensive urban redevelopment plan. This \$30 million initiative includes:
 - *Lamberton Square* – a redevelopment project that will produce approximately 231 housing units, artist live/work spaces, parking and renovated retail space and facades.
 - *Livable Cities Initiative* - a three-year initiative to renovate all blighted properties in the city and provide numerous homeownership opportunities for city residents.
 - *Mid-Block Garage* – a redevelopment project that will add 900 much needed parking spaces to downtown. It is anticipated that a project of this magnitude will have a positive impact on currently unstable neighborhoods and the overall community. State funds will be leveraged by additional funds from the local banks, the Greater New Haven Community Loan Fund, Fannie Mae and other dedicated Federal funds of the City, to provide an aggressive strategy and development program.

These redevelopment efforts support the continued enhancement and expansion of Connecticut's biotech industry in New Haven and are a key part of the city and state partnership to revitalize the city.

- The Department has been working closely with the city of Waterbury on the implementation of their comprehensive urban revitalization plan, known as the "Waterbury Partnership for Growth" which includes:

A Downtown Development Phase II project - which is composed of the acquisition, relocation, remediation, demolition and disposition of property for a regional University of Connecticut facility, an arts magnet school, the Palace Theatre, and the Spring Street garage (\$65,158,000). It is currently underway and will be completed in 2003.

A feasibility study - for the reuse, planning and initial engineering for a connecting road between Thomaston Avenue and Jackson Street (\$500,000) which is planned to be implemented by the end of the year.

An information technology center - to create incubator space for startup companies, that is in the planning stages (\$2,000,000).

The construction of a new parking lot and streetscape improvements north of West Main Street.

The funding for the rehabilitation of an additional building to serve as a youth center which is planned to be underway before the end of 2002 and to be completed in 2003 (\$4,980,000).

The Harold LEEVER Cancer Center, an initiative to design and construct a regional state-of-the-art holistic cancer center (\$13,900,000).

The renovation of the *Mattatuck Historical Society* (\$500,000).

Seven Angels Theatre Group enhancements –composed of the acquisition of housing for actors, designers and directors and construction of a production building that will include a set shop, rehearsal hall and studio space (\$500,000).

As with the New Haven urban development plan, these efforts are a key part of the city and state partnership to revitalize the city.

RECOMMENDED ADJUSTMENTS

Reductions	2002-2003
• Eliminate Payment in Lieu of Taxes Grant	-2,900,000
• Eliminate Funding For The Entrepreneurial Centers Grant	-215,000
• Reduce Elderly Rental Registry & Counselors Funding For Database Maintenance This reduces the \$75,000 allocated for maintenance of the disabled database to \$55,000.	-20,000
• Reduce Agency Other Expenses Funds are reduced to affect economies.	-50,000
• Eliminate Tax Abatement Grant	-2,243,276
Technical Adjustments	
• Reduce Funding For Subsidized Assisted Living Demonstration Program Funds are reduced to reflect delays in construction and start-up of the new facilities.	-869,625

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	115	116	116	0	116
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	6,482,651	6,991,008	7,324,456	0	7,324,456
Other Expenses	3,290,081	3,085,227	3,086,872	-50,000	3,036,872
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Elderly Rental Registry and Counselors	649,479	647,060	647,060	-20,000	627,060
Cluster Initiative	1,899,945	1,300,000	1,300,000	0	1,300,000
Film Commission	199,164	0	0	0	0
Freedom Trail	50,000	0	0	0	0
Amistad Dock	750,000	0	0	0	0

Central Tourism Account	500,000	0	0	0	0
TOTAL - Other Current Expenses	4,048,588	1,947,060	1,947,060	-20,000	1,927,060
<u>Pmts to Other Than Govts</u>					
Entrepreneurial Centers	215,000	215,000	215,000	-215,000	0
Assisted Living Demonstration	22,500	0	1,769,625	-869,625	900,000
Congregate Facilities Operation Costs	3,941,250	4,709,790	5,179,540	0	5,179,540
Housing Assistance & Counseling Pgm	30,000	384,600	384,600	0	384,600
Elderly Congregate Rent Subsidy	785,035	1,059,936	1,336,654	0	1,336,654
Job Incentive Grants	400,000	0	0	0	0
TOTAL - Pmts to Other Than Govts	5,393,785	6,369,326	8,885,419	-1,084,625	7,800,794
<u>Pmts to Local Governments</u>					
Tax Abatement	2,243,276	0	2,243,276	-2,243,276	0
Payment in Lieu of Taxes	2,900,000	0	2,900,000	-2,900,000	0
TOTAL - Pmts to Local Governments	5,143,276	0	5,143,276	-5,143,276	0
TOTAL - General Fund	24,359,381	18,393,621	26,388,083	-6,297,901	20,090,182



AGRICULTURAL EXPERIMENT STATION

“Putting Science to Work for Society”

AGENCY PURPOSE

To perform a variety of research and analysis, at laboratories in New Haven and Windsor, and research farms in Hamden and Windsor. This research includes:

- Discovering insects and ticks that carry disease to people and animals, and devising methods of detecting and reducing these diseases.
- Discovering methods of destroying toxic chemicals in soil and water.



- Devising ways to control pests using fewer and safer pesticides.
- Ensuring an ample and economical food supply by increasing yields, introducing successful crops, and controlling pests and plant diseases.
- Protecting people from toxic substances found in food and water and from deficient food, drugs, and agricultural supplies.

RECENT HIGHLIGHTS

- Analyzed 31,596 plant and insect inquiries during the past fiscal year; analyzed 1,417 samples for state agencies; inspected 334 nurseries and tens of thousands of individual plants; examined 6,072 ticks for the Lyme disease spirochete; and tested 10,019 soil samples for both farmers and citizens.
- Continued a statewide survey for West Nile virus and Eastern Equine Encephalitis virus. The agency identified and tested 137,000 mosquitoes for viruses. Testing was done so information became available to other state agencies and municipal health departments in a timely manner, enabling informed decisions to be made on mosquito control.
- Worked closely with a Connecticut town to control two species of invasive weeds near a boat launch area. The herbicides Fluridone and 2-4-D were used as a spot treatment for control of Cabomba and European milfoil, respectively.
- Detected Ehrlichia chaffeensis in lone star ticks in Connecticut. This pathogenic bacterium is the cause of the disease known as human granulocytic ehrlichiosis.
- Discovered that a new exotic, human-biting mosquito, native to Japan, is widely established throughout Connecticut, where it has invaded a variety of natural and artificial container habitats in urban, suburban, rural and agricultural settings.

INITIATIVES FOR FY 2003

- Evaluate pesticide drift from tobacco fields as requested by the legislature.
- Evaluate varieties of plum trees for Connecticut fruit growers. Connecticut fruit growers have expressed a need for additional locally grown fruit crops that can be sold at farm stores.
- Expand research on the control of invasive aquatic weeds in Connecticut lakes. Research will be conducted in Bashan Lake and the Moodus Reservoir in East Haddam, Lake Quonnipaug in Guilford, and Lake Wononscopomuc in Lakeville.
- Identify sources of genetic resistance, alternative fungicides, and methods of their application in order to control tobacco blue mold, which remains an economic threat.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Wildlife Fertility Control Program

2002-2003

-125,000

Technical Adjustments

- Staff New Laboratory Addition
- Continue FY 2002 Savings Program

25,680

-40,000

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	73	73	73	1	74
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	4,770,967	5,229,791	5,544,950	-14,320	5,530,630
Other Expenses	411,480	427,265	463,965	0	463,965
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Mosquito Control	405,513	207,669	212,653	0	212,653
Wildlife Fertility Control	131,456	125,000	125,000	-125,000	0
TOTAL - Other Current Expenses	536,969	332,669	337,653	-125,000	212,653
TOTAL - General Fund	5,720,416	5,990,725	6,347,568	-139,320	6,208,248



DEPARTMENT OF PUBLIC HEALTH

AGENCY PURPOSE

- Protect the health and safety of the people of Connecticut.
- Actively work to prevent disease and promote wellness through education and programs such as prenatal care, newborn screening, immunizations, AIDS awareness, and supplemental foods.
- Monitor infectious diseases, environmental and occupational health hazards, and birth defects.
- Regulate health care providers such as health facilities, health professionals, and emergency medical services.
- Provide testing and monitoring support through the state laboratory.
- Collect and analyze health data to help plan policy for the future.
- Be the repository for all birth, marriage, and death certificates.

RECENT HIGHLIGHTS

- Implemented the EMS equipment grant program and awarded grants to volunteer EMS providers for purchase of vital EMS patient care equipment and delivery of training.
- Streamlined EMS ambulance rate-setting process was implemented pursuant to Public Act 01-04.
- Developed a model EMS plan for adaptation by municipalities.
- Established an Office of Public Health Workforce Development and implemented a number of initiatives to recruit and retain a diversified workforce.
- Completed the development of an electronic vital records system to allow local registrars, hospitals, and the department to electronically create, file and retrieve birth, adoption and paternity acknowledgement certificates. The system is presently being installed in towns and hospitals.
- Completed an architectural and engineering review of the Public Health Laboratory facilities as the first step toward a master plan for upgrading the Laboratory to state-of-the-art standards.
- Developed a Connecticut Women's Health Report, which provides an assessment of socioeconomic and demographic factors, access issues, and over twenty health conditions.
- Expanded services to women participating in the breast and cervical cancer screening program, to include cardiovascular risk assessment, screening and intervention.
- Established a Connecticut Cancer Consortium to plan cancer prevention strategies. A Connecticut Cancer Control Plan was developed to target prevention of lung, breast, and colorectal cancer.
- Held the first asthma summit to share data on the impact of asthma in Connecticut and to develop strategies for asthma prevention and care.
- Partnered with twenty-four agencies statewide to promote the use of pediatric asthma management plans.
- Through interagency collaboration, expanded the Connecticut Drug Assistance formulary and enhanced HIV education for inmates in correctional.
- Conducted an education campaign to target immigrant and migrant populations using culturally appropriate educational materials.
- Administered the first annual Connecticut Youth Tobacco Survey and distributed a survey report to policymakers, local health directors, schools and other partners.
- Implemented a universal newborn hearing screening program and screened over 34,000 infants.
- Maintained Connecticut's immunization rate rank in the top five states nationally. Pneumococcal conjugate vaccine was added to the state's vaccine distribution program for all children under 24 months of age on Medicaid or without health insurance.

INITIATIVES FOR FY 2003

As part of a CT Health Priorities Initiative, DPH will:

- Continue to develop the trauma and EMS registry to allow surveillance of morbidity and mortality from traumatic injury.
- Promote the adoption of local EMS plans by all Connecticut municipalities.
- Continue public health workforce development efforts, including the development of a data collection system containing demographic and other information on Connecticut's nursing workforce.
- Continue to enhance the DPH website, to include new features such as access to disciplinary histories of licensed professionals.
- Continue to upgrade technologies in the Public Health Laboratory to achieve state-of-the-art laboratory services for Connecticut. Develop and implement a plan for Laboratory relocation.
- Continue to address women's health issues. Initiatives include a Women's Health Summit and *Women to Women* community outreach program.
- Working with a broad range of community partners, focus resources and efforts on urban health initiatives that address health disparities, teenage pregnancy, asthma, and chronic diseases. Continue and enhance the *Door to Door* community health education program.
- Continue efforts to measure Connecticut's progress in reaching year 2000 objectives and set targets for the year 2010.
- Enhance awareness and services around oral health issues.

- Develop improved methods to estimate exposures and risks in children from environmental chemicals.
- Develop and implement a comprehensive asthma surveillance and control plan.
- Develop a diabetes management plan, in collaboration with health care providers, pharmaceutical companies, and managed care organizations.
- Implement a surveillance system for individual reports of HIV infection.
- Develop a comprehensive lead surveillance system, integrating child-based and environmental data.
- Develop a Children with Special Health Care Needs registry, to identify children with birth defects and other conditions of childhood, to ensure timely referral to needed services, and to provide data for epidemiologic study.
- Continue to develop needed infrastructure and capacity relative to bioterrorism. Planned initiatives will further enhance surveillance and testing for biological and chemical agents of terrorism, professional and public education, and coordination of public health response and resources at the federal, state, and local levels.
- Implement the initiatives listed in the narrative for the Office of Health Care Access.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Targeted Agency Accounts **2002-2003**
-1,690,823

Reallocations or Transfers

- Create new Division of Hospitals and Health Care Planning 2,678,621
Create new Division of Hospitals and Health Care Planning within the Department of Public Health by consolidating functions, positions and related funding from the Office of Health Care Access.

Technical Adjustments

- Continue FY 2002 Savings Program -1,474,237
- Annualize Other Expenses Shortfall 425,000
- Annualize New Britain School Based Health Center 75,000
- Annualize Costs of Electronic Vital Records System 64,000

Expansion Adjustments

- Children With Special Health Care Needs 575,000
2 positions and related funds are provided for respite services and additional cases management for families of children with special health care needs.
- Additional Positions For BioTerrorism Preparedness 500,000
9 positions and related funding are provided to address immediate preparedness needs of Connecticut's public health system relative to disaster preparedness and homeland security.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	547	547	547	34	581
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	26,910,986	29,448,598	30,896,117	2,665,971	33,562,088
Other Expenses	6,790,763	6,880,166	6,355,166	801,650	7,156,816
<u>Capital Outlay</u>					
Equipment	0	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Young Parents Program	198,439	188,966	198,912	-13,776	185,136
Pregnancy Healthline	110,798	105,258	110,798	-7,674	103,124
Needle and Syringe Exchange Program	399,996	399,998	399,998	-27,703	372,295
Community Svs Support for AIDS Victims	215,174	204,814	215,594	-14,932	200,662
Children's Health Initiatives	1,553,144	1,537,823	1,618,761	-112,112	1,506,649
Tobacco Education	19,203	190,000	200,000	-13,852	186,148

Budget Summary

CT Immunization Registry	218,509	220,807	220,807	-15,293	205,514
Newborn Hearing Screening	114,382	70,000	70,000	-4,848	65,152
Nursing Study	112,696	0	0	0	0
Childhood Lead Poisoning	263,463	252,481	265,770	-18,407	247,363
AIDS Services	3,765,083	4,055,327	4,268,765	-213,438	4,055,327
Liability Coverage f/Retired Physician	4,107	4,235	4,235	-4,235	0
Breast & Cervical Cancer Detection	1,920,941	1,707,710	1,951,710	0	1,951,710
Services for Children Affected by AIDS	279,016	271,804	286,110	-19,815	266,295
Children w/Special Health Care Needs	726,705	728,280	728,280	575,000	1,303,280
Medicaid Administration	2,882,428	3,412,111	3,993,267	-576,566	3,416,701
Year 2000 Conversion	632,172	0	0	0	0
TOTAL - Other Current Expenses	13,416,256	13,349,614	14,533,007	-467,651	14,065,356
<u><i>Pmts to Other Than Govts</i></u>					
Community Health Services	7,415,647	6,878,965	6,978,965	-1,407,061	5,571,904
Emergency Medical Services Training	36,414	36,414	36,414	-2,522	33,892
Emergency Med Svcs Regional Offices	373,715	406,716	522,716	-116,000	406,716
Rape Crisis	462,062	462,062	462,062	-32,002	430,060
X-Ray Screening and Tuberculosis Care	720,657	621,527	621,527	0	621,527
Genetic Diseases Programs	803,139	704,722	804,722	-148,808	655,914
Loan Repayment Program	221,240	194,500	194,500	0	194,500
Immunization Services	6,804,348	7,126,548	7,126,548	0	7,126,548
TOTAL - Pmts to Other Than Govts	16,837,222	16,431,454	16,747,454	-1,706,393	15,041,061
<u><i>Pmts to Local Governments</i></u>					
Local & District Departments of Health	4,320,609	4,446,010	4,446,010	0	4,446,010
Venereal Disease Control	231,255	231,255	231,255	-16,016	215,239
School Based Health Clinics	5,638,399	5,838,399	6,038,399	-125,000	5,913,399
TOTAL - Pmts to Local Governments	10,190,263	10,515,664	10,715,664	-141,016	10,574,648
TOTAL - General Fund	74,145,490	76,626,496	79,248,408	1,152,561	80,400,969



OFFICE OF HEALTH CARE ACCESS

AGENCY PURPOSE

The Office of Health Care Access (OHCA) is statutorily responsible for overseeing and coordinating health system planning for the state. OHCA's mission is to ensure that the citizens of Connecticut have access to a quality health care delivery system. The Agency fulfills its mission by advising policy makers of health care issues; informing the public and the industry of statewide and national trends; and designing and directing health care system development. OHCA's responsibilities include:

- Collection, analysis and reporting of extensive health care data.
- Assist in health system planning for the state.
- Monitor hospital expenditures and revenues to support the development of sound policies.
- Administer the Certificate of Need (CON) program.
- Administer the Uncompensated Care program.
- Monitor and oversee the ACHIEVE project.

RECENT HIGHLIGHTS

- In January 2001, released the results of a comprehensive 15-month study of Connecticut's 31 acute care hospitals, 'The Health of Connecticut's Hospital's'. This study was in response to the General Assembly's mandate to conduct a review of the state's hospital system and determine the factors influencing their financial conditions. The study details forces shaping hospital performance, provides individual hospital statistical profiles, and includes a comprehensive analysis of issues and trends with potential impact on the future of the state's hospitals. In addition, the report provides numerous policy recommendations for consideration by the State.
- In January 2001, published its 'Second Annual Study on Graduate Medical Education (GME) in Connecticut'. The study details the background of GME and how it is financed, outlines recent changes in the financing of health care that impacts GME, and identifies GME programs in

Connecticut. It also addresses the financial impact of GME on hospitals, its effect on the sufficiency of the state's health care provider workforce, and its effect on access to health services. The report provides a spatial depiction of primary and specialty physician-to-population ratios and begins to explore emerging issues that will likely impact future costs incurred by hospitals for GME.

- Made \$1.4 million available to Connecticut hospitals under the Hospital Grant Program. The purpose of this program is to support hospital initiatives that encourage collaboration, innovation and greater efficiencies in the health care delivery system.
- Applied for and received \$668,000 in grant funds from the Health Resources and Services Administration to study Connecticut's uninsured population and to support development of initiatives to provide Connecticut's uninsured with access to health insurance.

INITIATIVES FOR FY 2003

In keeping with an ongoing requirement of providing state industry leaders and policy makers with information needed for data-driven decision making, following initiatives will continue:

- Continue to monitor, evaluate and refine all statutory and regulatory functions of the Agency, including ongoing streamlining of the Certificate of Need process.
- Initiate the collection of hospital outpatient data to permit a more comprehensive understanding of health care dynamics.
- Explore and implement recommendations to improve the Agency as identified in the Hospital Study report,

particularly as they relate to formulating a framework for effective statewide access to quality health care.

- Research and report on evolving trends and issues related to health care and the health care delivery system in Connecticut.
- Continue to spearhead collaboration with state agencies on the health care purchasing initiatives launched by the ACHIEVE project and continue to explore ways in which the state can receive more value from its health care purchasing.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Agency Appropriations by 5%
- Reduce Funding to Reflect Economies of Consolidation

2002-2003

-157,757

-318,770

Reallocations or Transfers

- Reallocate Funds Due to the Creation of a Division of Hospitals and Health Care Planning in the Department of Public Health

-2,678,621

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	36	36	36	-36	0
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	2,027,405	2,515,578	2,718,780	-2,718,780	0
Other Expenses	394,418	415,368	434,368	-434,368	0
<u>Capital Outlay</u>					
Equipment	1,000	2,000	2,000	-2,000	0
<u>Other Current Expenses</u>					
Distressed Hospital Evaluation	725,651	0	0	0	0
TOTAL - General Fund	3,148,474	2,932,946	3,155,148	-3,155,148	0



OFFICE OF THE CHIEF MEDICAL EXAMINER

AGENCY PURPOSE

To investigate fatalities in the following categories:

- Deaths due to any form of injury, whether resulting from accident, suicide or homicide.
- Sudden or unexpected deaths not due to readily recognizable disease.
- Deaths occurring under suspicious circumstances (e.g. child abuse).
- Deaths of any individual whose body is to be disposed of in a manner that will render it unavailable for later examination.
- Deaths at or related to the workplace.
- Deaths due to disease that might constitute a threat to the public health.

To protect the public health:

- By diagnosing previously unsuspected contagious disease.
- By identifying hazardous environmental conditions in the workplace, the home and elsewhere.
- By identifying trends such as changes in the numbers of homicides, traffic fatalities, and drug and alcohol related deaths.
- By identifying new types and forms of drugs appearing in the state, or existing drugs/substances becoming new subjects of abuse.

To prevent unnecessary litigation.

To provide information that will lead to proper adjudication in criminal matters.

RECENT HIGHLIGHTS

- Produced over 385 computerized statistical reports during the year. The office has one of the largest death investigation databases in the country (over 160,000 records). Report recipients include state's attorneys, public defenders, hospital quality control departments and researchers.
- Continued migration to paperless processes to further reduce repetitive manual entry.

INITIATIVES FOR FY 2003

- Continue to implement the recommendations of the operational review performed by the Office of Policy and Management.
- Continue to implement recommendations based on a separate inspection/review of the Toxicology Laboratory.
- Complete the purchase and implementation of a contemporary, windows-based death investigation system software application.

AGENCY SUMMARY

	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
Personnel Summary	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	51	53	53	2	55
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	3,173,704	3,523,939	3,677,188	0	3,677,188
Other Expenses	1,749,932	534,764	530,664	0	530,664
<u>Capital Outlay</u>					
Equipment	7,500	7,500	7,500	0	7,500
<u>Other Current Expenses</u>					
Medicolegal Investigations	0	673,000	661,000	0	661,000
TOTAL - General Fund	4,931,136	4,739,203	4,876,352	0	4,876,352



DEPARTMENT OF MENTAL RETARDATION

AGENCY PURPOSE

- Provide case management services to all DMR clients to plan for and coordinate supports and services.
- Provide respite services and funding for families to obtain relief from constant care giving.
- Provide family support services to families with family members who have mental retardation who live at home.
- Provide residential and employment/day supports to people with mental retardation through a system of public and private providers.
- Provide persons with mental retardation with resources to obtain individualized and self-directed supports.
- Provide and coordinate recreation opportunities for people with mental retardation.
- Act as Lead Agency for the Birth-to-Three program serving infants and toddlers with developmental delays.
- Ensure appropriate delivery of health care services to all consumers receiving DMR residential supports.
- Assist DMR consumers involved in the criminal justice system to ensure appropriate representation and services.

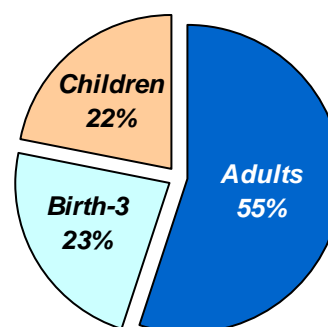
RECENT HIGHLIGHTS

- Continued expansion of supports to families by opening 3 new respite centers resulting in six centers across the state.
- Convened a special Children's Focus Team to study system changes necessary to improving services and coordinate supports to family members of children and youth who have mental retardation. A formal report from the Focus Team was released in the second quarter of FY 02.
- Implemented a "single point of entry" to promote easier and more consistent access for families across Connecticut who wish to apply for services. The new system has multi-lingual capacity and provides for greater consistency in the application of eligibility criteria.
- Led a legislatively created Developmental Disabilities Advisory Commission. The Commission's focus is to study how the state can better serve and support persons who have developmental disabilities that do not include mental retardation.
- Established interagency agreements between DMR and DMHAS, and DMR and DCF. The former is designed to reduce unnecessary hospital admissions of persons with mental retardation for behavioral health reasons. The agreement with DCF expands the department's role in children's services. In FY 01, twenty children were transitioned from the DCF service system to DMR services.
- Reorganized regions to reflect a common structure that provides individual and family support services in a more consistent fashion.
- Generated \$267.75 million in federal Medicaid reimbursement. Over 5500 people participated in the Home and Community Based Services Waiver by the end of FY 01.
- Prepared and presented a comprehensive proposal to address the needs of individuals waiting for residential services. The elimination of the Waiting List represents the single greatest challenge facing DMR. During the FY 00-01 biennium 579 people from the Waiting List were served, exceeding the funded target of 425.
- Partnered with the Department of Public Safety to oversee the DMR Investigations Unit. Both the investigative process for abuse and neglect allegations and results continue to improve.
- Established an innovative internet-based staff recruitment system to help address the difficulties experienced by private providers in maintaining a stable work force.
- Expanded consumer and family choice, control over services and supports through the use of person-centered planning, individual budget, and portable resources. By the end of FY 01 over 400 individuals were actively participating in this new approach.

INITIATIVES FOR FY 2003

- Study needed changes to the DMR Waiting List and residential planning process to emphasize urgency of need and develop a more refined method to project need and the costs associated with meeting that need.
- Continue to support people on the Waiting List through the creative use of individual supports, family support, and community services within the resources available.
- Expand the use of self-directed, portable individual supports to maximize consumer and family choice and control.
- Re-deploy public staff as available to expand family support services and enhance case management support.
- Implement a new quality improvement system that incorporates benchmarking, use of sophisticated data analysis and personal outcomes as critical elements of assessing quality.
- Complete implementation of the linked area network to enhance information management and communication across the entire DMR system.
- Expand interagency collaborative efforts in staff training, research, and program development.

DMR provided services and supports to 18,673 people by the end of FY 2001.
About half are adults with mental retardation



RECOMMENDED ADJUSTMENTS

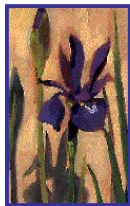
Technical Adjustments	2002-2003
• Fund Community Placements from Southbury Training School Support the placement of 8 persons from Southbury Training School into the community. Funding is provided for an average of six months, thereby leaving opportune beds in the community for placement by those on the waiting list.	500,000
• Recalculate Birth-to-Three Expenditure Levels Additional funds are provided to this entitlement program. It is anticipated that the need for Early Intervention services should stabilize.	1,254,571
• Continue FY 2002 Savings Program - Human Resource Development	-17,705
• Continue FY 2002 Savings Program - Clinical Services	-206,393
• Reduce Personal Services Expenditures Savings are anticipated in personal services through the more effective use of staff.	-700,000
• Reallocate Funding for Private Provider COLAs	4,249,584
• Annualize Laundry Position Transfer	32,090
• Adjust Workers' Compensation Claims Account	556,516
• Restore Energy Funding	471,830
Expansion Adjustments	
• Supplemental Private Provider Monies to Enhance Services and/or for Distressed Provider Agencies	1,302,861

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	4,581	4,581	4,561	1	4,562
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	260,511,442	273,955,411	283,992,763	-667,910	283,324,853
Other Expenses	23,981,438	23,282,192	23,172,643	471,830	23,644,473
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Human Resource Development	354,043	336,404	354,109	-17,705	336,404
Private Provider Supplemental Rates	0	0	0	1,302,861	1,302,861
Family Support Grants	1,008,185	1,008,185	1,008,185	0	1,008,185
Pilot Program for Client Services	2,152,588	2,227,929	2,235,129	25,831	2,260,960

Budget Summary

Cooperative Placements Program	0	8,259,066	11,033,394	65,718	11,099,112
Clinical Services	3,428,479	3,921,475	4,127,868	-206,393	3,921,475
Early Intervention	18,022,743	18,456,360	19,280,429	1,439,430	20,719,859
Temporary Support Services	208,094	208,094	208,094	0	208,094
Community Temporary Support Services	68,340	68,340	68,340	0	68,340
Community Respite Care Programs	335,376	335,376	335,376	0	335,376
Workers' Compensation Claims	11,923,620	10,191,231	9,679,788	556,516	10,236,304
TOTAL - Other Current Expenses	37,501,468	45,012,460	48,330,712	3,166,258	51,496,970
<u>Pmts to Other Than Govts</u>					
Rent Subsidy Program	2,559,756	2,717,615	2,717,615	0	2,717,615
Respite Care	2,113,642	2,113,767	2,113,767	0	2,113,767
Family Reunion Program	133,518	140,000	140,000	0	140,000
Employment Opportunities & Day Svcs	99,352,940	109,067,369	114,817,427	1,234,283	116,051,710
Family Placements	1,764,331	1,826,083	1,831,985	21,172	1,853,157
Emergency Placements	3,486,201	3,608,219	3,619,881	41,835	3,661,716
Community Residential Services	218,254,464	236,868,383	240,757,409	3,175,886	243,933,295
Pilot Pgm for Cooperative Placements	5,038,299	0	0	0	0
Services to Support the Aging Population	0	250,000	500,000	0	500,000
TOTAL - Pmts to Other Than Govts	332,703,151	356,591,436	366,498,084	4,473,176	370,971,260
TOTAL - General Fund	654,698,499	698,842,499	721,995,202	7,443,354	729,438,556



DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

AGENCY PURPOSE

To improve the quality of life of Connecticut's citizens through prevention and early intervention services and to recover the

health of those with psychiatric or substance use disorders through treatment and recovery oriented services.

RECENT HIGHLIGHTS

- Initiated work of *Mental Health Policy Council* to implement recommendations of the Governor's Blue Ribbon Commission on Mental Health.
- Implemented statewide evidence-based prevention practices as a part of the work of the Alcohol and Drug Policy Council and the Governor's Prevention Partnership Initiative for Youth.
- Strengthened consumer input using a scientifically based survey to solicit opinions regarding DMHAS funded and operated services.
- Established standardized performance measures to assess service quality in state-operated and private non-profit agencies throughout Connecticut.
- Implemented workgroups to identify preferred treatment practices for selected behavioral health disorders.
- Adopted a conceptual model and developed strategies for implementation of evidence-based practices for treatment of co-occurring psychiatric and substance use disorders.
- Developed clinical guidelines and implemented contract requirements to improve the cultural competence of treatment services.
- Implemented a utilization management process to facilitate the appropriate discharge of patients from state operated inpatient beds into community based programs.
- Conducted an assessment of DMHAS quality management and Medicaid/Medicare Compliance Programs.
- Completed development of statewide network of Jail Diversion programs to divert people with mental illness from incarceration for minor offenses related to their illness.
- Established a statewide initiative to assist Connecticut residents who have experienced traumatic life events.
- Provided assistance to families of victims and other state residents affected by the World Trade Center disaster.
- Expanded the PILOTS supported housing initiative to reduce homelessness among people with behavioral health disorders.
- Strengthened liaison relationships between DMHAS treatment and support service providers and homeless shelter providers.
- Developed programs in Hartford and New Haven to engage substance-abusing parents in treatment (primarily mothers with school-age children).
- Established "Urban Initiatives" in Bridgeport and New Haven to engage people with co-occurring psychiatric and substance use disorders in treatment who have previously not benefited from such care.
- Implemented a new Peer Engagement Program designed to establish and maintain treatment relationships with clients who have previously not responded to traditional outpatient mental health treatment.
- Developed a specialized inpatient unit at *Cedarcrest Hospital* to meet the unique treatment needs of young adults with major mental illness.
- Completed a series of studies designed to measure the need, demand, capacity, and incidence and prevalence of substance use disorders at the state and regional level for planning purposes.
- Actively participated in a New England-wide coalition developing strategies to promote mental health and prevent mental illness.
- Formalized a collaborative planning process with DCF and DSS to develop the *Connecticut Behavioral Health Partnership* for Medicaid recipients, including the DCF *Connecticut KidCare* initiative and the DMHAS *Recovery Healthcare Plan for Adults*.
- Initiated an impact analysis to guide planning for implementation of the Medicaid rehabilitation option.
- Led planning efforts of the *Community Mental Health Strategy Board* including the use of funds to expand access to care and address critical service gaps.
- Completed Medicare and Medicaid enrollment requirements enabling federal reimbursement for services provided by *River Valley Services* and *Capitol Region Mental Health Center* (two DMHAS-operated facilities), and began the enrollment process for two additional DMHAS facilities.
- Submitted 15 new federal funding applications totaling over \$19 million to support the implementation of innovative enhancements to Connecticut's behavioral health system.
- Continued preparing for compliance with federal rules and timeframes as defined under the *Health Insurance Portability and Accountability Act (HIPAA)*.
- Updated DMHAS policies and procedures to reflect best practices within a consolidated public behavioral health service agency.
- Initiated state-of-the-art management information system modifications, including the development of electronic medical records, pharmacy systems, contract management and analysis systems, claims and rate setting systems, care and case management systems and a data warehouse.
- Determined operational requirements to comply with federal guidelines for implementation of revised Methadone regulations.
- Collaborated with DSS, DCF, DMR, DOC, the Judicial Branch and the federal government to develop joint contracting initiatives across state agencies.

- Continued to audit providers participating in the General Assistance Behavioral Health Program to assure compliance with program requirements.

INITIATIVES FOR FY 2003

The operation and enhancement of the DMHAS Behavioral Healthcare System will continue to be based on action strategies tied to four major strategic goals:

- Quality**
- Establish a statewide quality of care management system to achieve defined service outcomes and improvement of an integrated healthcare system.
 - Decrease gridlock for persons needing prompt access to care by expanding the current utilization management of inpatient bed usage to also cover review of residential, more intensive outpatient and other levels of more expensive care.
 - Redefine the DMHAS Service System from a Crisis/Intensive Treatment model to the more effective and efficient Recovery Model by introducing recovery-oriented program designs, outcome measures, and training support for providers.
 - Apply the newly developed prevention and cultural competence treatment standards to assess the quality and desirability of continued support of DMHAS funded prevention and treatment services.

- Services**
- Provide culturally competent and integrated services to persons whose needs are particularly challenging or not being well met in the current system.
 - Expand the highly successful demonstration program "opioid agonist treatment" (OATP) to a larger pool of repetitive users of detoxification and other expensive and acute services.
 - Begin implementation of a new Forensic Service program initiative to more effectively and efficiently meet the service, safety and capacity demands of the increasing pool of forensic clients.
 - Implement a continuum of age-appropriate services for Young Adults by building on the clinical experience and program designs of the Transitional Youth and Special Populations programs.

- Expand through Community Mental Health Strategy Board funding - Assertive Community Treatment (ACT) teams, outpatient, intensive residential, supportive housing, and individualized "wrap-around" services to improve the access and effectiveness of care for persons currently in gridlock or underserved.

- Management**
- Improve the organizational and management effectiveness of DMHAS.
 - Continue the modernization and utilization of information systems to enhance outcome measurement, data-driven analysis, and decision support systems.
 - Increase the application of tight budget control procedures, that have contributed to more effective monitoring of personnel and overtime costs, to other areas of state operated facility budgets.
 - Continue to work with DCF and DSS on the Connecticut Behavioral Health Partnership and in the development of the Rehabilitation Option and on Medicaid Clinical management.

- Resources**
- Expand revenue and resource development opportunities through continued pursuit of federal and foundation funding for research, service development and program evaluation.
 - Complete Medicare and Medicaid enrollment requirements for state-operated services for the Western Connecticut Mental Health Network and the Southeast Mental Health Authority so as to enhance revenue generation for state supported services.
 - Modify processes related to Medicaid Targeted Case Management to achieve maximization of federal revenues.

RECOMMENDED ADJUSTMENTS

Reductions	<u>2002-2003</u>
• Reconfigure Agency Management Structure	-1,350,000
• Restructure State-Operated Residential Services Convert state operated residential programs to private, non-profit operation.	-1,095,000
• Reduce Contract with Connecticut Mental Health Center	-1,000,000
• Restructure Inpatient Services in Hartford Consolidate inpatient services currently located at Blue Hills Hospital and the Capitol Region Mental Health Center in order to create administrative efficiencies and permit capital offsets required to keep both facilities up to code.	-897,442
• Reduce Support for Nautchaug Hospital	-250,000
• Reduce Training Costs	-150,000
Reallocations or Transfers	
• Transfer Funding from DMHAS to DSS to Cover SAGA Behavioral Health Pharmacy Claims Transfer pharmacy related expenditures in the (035) General Assistance Managed Care account to the Department of Social Services to reflect the continued responsibility of pharmacy claim payments by DSS.	-3,500,000

• Realign Funding for Project SAFE	0
Reallocate funds from (606) Grants for Mental Health Services to (601) Grants for Substance Abuse Services to properly reflect the nature of the services being provided.	
• Realign Residual CBI Funding	0
Reallocate funds from Personal Services to (022) Managed Service System to fund the overtime costs incurred by private providers when the CBI Programs were restructured earlier this year.	
• Realign Funding for Behavioral Health Medications	0
Consolidate funding for pharmaceuticals from the Other Expenses and (023) Drug Treatment for Schizophrenia accounts into a new account called Behavioral Health Medications.	
Technical Adjustments	
• Fund Corrective Plan of Action at Whiting	1,779,380
• Restore Energy Funding	1,003,807
• Annualize Other Expenses Shortfall	975,000
• Annualize Lease Costs for APT Foundation	660,000
• Annualize Funding for TBI Community Services	500,000
• Fund Ongoing Expenses Related to New Client Information System	500,000
• Fund Cost of Microsoft Licensing Agreement	376,000
• Reflect Increased Costs of Negotiated Rents	185,346
• Fund Increased Sewerage Costs at Connecticut Valley Hospital	135,269
• Annualize Costs of Yale Staffing Contract	83,536
• Annualize Laundry Position Transfer	33,426
• Continue FY 2002 Savings Program	-6,832,048
• Reallocate Funding for Private Provider COLAs	-2,458,117
• Reflect Delay in PILOTS Initiative	-750,000
• Adjust Workers' Compensation Claims Account	-628,159
Expansion Adjustments	
• Supplemental Private Provider Monies to Enhance Services and/or for Distressed Provider Agencies	763,672

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	3,572	3,572	3,583	-47	3,536
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	110,648,113	151,820,767	161,704,075	-4,051,164	157,652,911
Other Expenses	17,190,107	29,023,436	25,972,636	-11,864	25,960,772
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Housing Supports and Services	1,089,471	2,810,133	6,139,019	-802,865	5,336,154
Pre-Trial Drug Education	801,457	0	0	0	0
Pre-Trial Alcohol Education System	1,426,321	0	0	0	0
Managed Service System	9,305,256	12,247,861	22,393,700	972,133	23,365,833
Behavioral Health Medications	3,288,053	3,504,658	3,778,777	2,600,000	6,378,777
Private Provider Supplemental Rates	0	0	0	763,672	763,672
Legal Services	399,711	399,711	399,711	0	399,711
Connecticut Mental Health Center	7,787,019	7,973,664	8,230,275	-1,051,444	7,178,831
Capitol Region Mental Health Center	345,592	345,592	345,592	0	345,592
Professional Services	4,649,724	4,780,607	4,780,607	0	4,780,607
Regional Action Councils	990,125	575,125	750,125	-175,000	575,125

Budget Summary

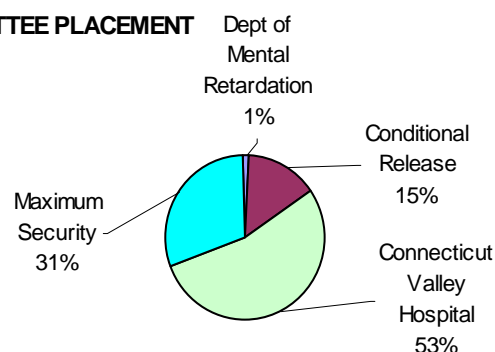
General Assistance Managed Care	72,056,692	66,196,536	76,463,067	-7,519,941	68,943,126
Workers' Compensation Claims	7,144,709	5,358,972	5,710,241	-628,159	5,082,082
Nursing Home Screening	470,411	487,345	492,843	0	492,843
Special Populations	11,221,805	20,404,461	20,828,518	146,934	20,975,452
TBI Community Services	564,410	2,973,149	3,985,675	462,389	4,448,064
Transitional Youth	2,218,442	3,395,656	3,511,582	-57,275	3,454,307
Year 2000 Conversion	327,728	0	0	0	0
Jail Diversion	0	3,204,096	3,308,716	-55,723	3,252,993
TOTAL - Other Current Expenses	124,086,926	134,657,566	161,118,448	-5,345,279	155,773,169
<i>Pmts to Other Than Govts</i>					
Grants for Substance Abuse Services	19,647,122	19,836,045	21,101,808	-190,456	20,911,352
Gov's Partnership-Protect CT Workforce	470,475	423,427	470,475	-47,048	423,427
Grants for Mental Health Services	73,908,772	74,252,025	77,466,086	-2,381,256	75,084,830
Employment Opportunities	9,207,146	9,637,352	9,668,499	111,737	9,780,236
TOTAL - Pmts to Other Than Govts	103,233,515	104,148,849	108,706,868	-2,507,023	106,199,845
TOTAL - General Fund	355,159,661	419,651,618	457,503,027	-11,915,330	445,587,697

PSRB PSYCHIATRIC SECURITY REVIEW BOARD

AGENCY PURPOSE

- Holds administrative contested hearings, which result in an order that an acquittee be confined in a maximum-security facility or confined at a psychiatric hospital or placed with the Commissioner of Mental Retardation or granted conditional release. Authorization for temporary leave for a confined acquittee requires board approval.
- Issues reports to the Superior Court on petitions for the discharge or continued commitment of acquittee.
- Monitors all acquittees to insure that the risk to the public is none to minimal.
- Provides case information and status to crime victims.

ACQUITTEE PLACEMENT



RECENT HIGHLIGHTS

- Developed and piloted individualized monthly progress reports for conditionally released acquittees.
- Implemented centralized statewide mandatory training for mental health professionals providing services to the acquittee populations.
- Re-designed exhibit form used to present evidence to expedite hearing procedures.
- Upgraded Management Information System.
- Implemented contractual agreement that will reduce inflationary costs.
- Coordinated hearing dockets to reduce duplication of proceedings and requests for continuances, which permits meeting increased workload at current levels of service funding.

INITIATIVES FOR FY 2003

- Implement Psychiatric Security Review Board no contact orders on the statewide registry for restraining, protective and no contact orders.
- Develop an automated internal tracking system to ensure proper training is provided to all service providers involved with conditionally released acquittees.
- In collaboration with the Department of Mental Health & Addiction Services, identify the needs and methods to improve the delivery of culturally competent treatment services to the culturally diverse population of acquittees.
- In collaboration with the Department of Mental Health & Addiction Services, examine the community service system and inpatient services for acquittees, and propose methods to establish a comprehensive inpatient and outpatient system that meets both the clinical and public safety requirements for the management of acquittees.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	4	4	4	0	4
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	229,128	250,142	263,220	0	263,220
Other Expenses	47,706	50,522	50,522	0	50,522
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
TOTAL - General Fund	277,834	301,664	314,742	0	314,742



DEPARTMENT OF TRANSPORTATION

AGENCY PURPOSE

- To provide a safe, efficient, and cost-effective transportation system that meets the mobility needs of its users.
- To construct, repair, and maintain the State highway system consisting of 10,477 lane miles and 3,837 bridges.
- To provide commuter rail service along the New Haven Line and its branch lines from Greenwich to New Haven and into New York City and on the Shore Line East corridor from New London to New Haven.
- To foster continued operation of all urban and rural bus services and ridesharing programs.
- To operate five state-owned airports and provide financial and technical assistance to other airport operators. The

INVESTMENT STRATEGY	
◆	Ensure Safety
◆	Maintain Existing System
◆	Increase System Productivity
◆	Promote Economic Development
◆	Provide Required Capacity

Department also operates Bradley International Airport, whose costs are fully financed with revenues generated at the airport through the Bradley Enterprise Fund.

- To maintain and operate the two Connecticut River ferry services and the State Pier in New London.
- To focus available resources in the most effective manner, the Department established a long-term infrastructure investment strategy with five interactive and interrelated goals. One goal is to ensure that all transportation systems are operated and maintained in a safe manner. Another goal is to maintain all transportation systems in a state of good repair to protect the significant investment that the State has made in recent years to enhancing the State's transportation infrastructure. The third goal is to make investments that increase the productivity of existing systems. The fourth goal is to utilize transportation investments to promote and facilitate economic development. The final goal is to provide additional transportation capacity where it is essential.
- To work with the Transportation Strategy Board (TSB) to ensure that the Department's long-term investment strategy is consistent with the need to maintain the economic competitiveness of the State in the global economy. The Department will implement a number of strategic immediate action initiatives during the current biennial budget.

RECENT HIGHLIGHTS

Safety

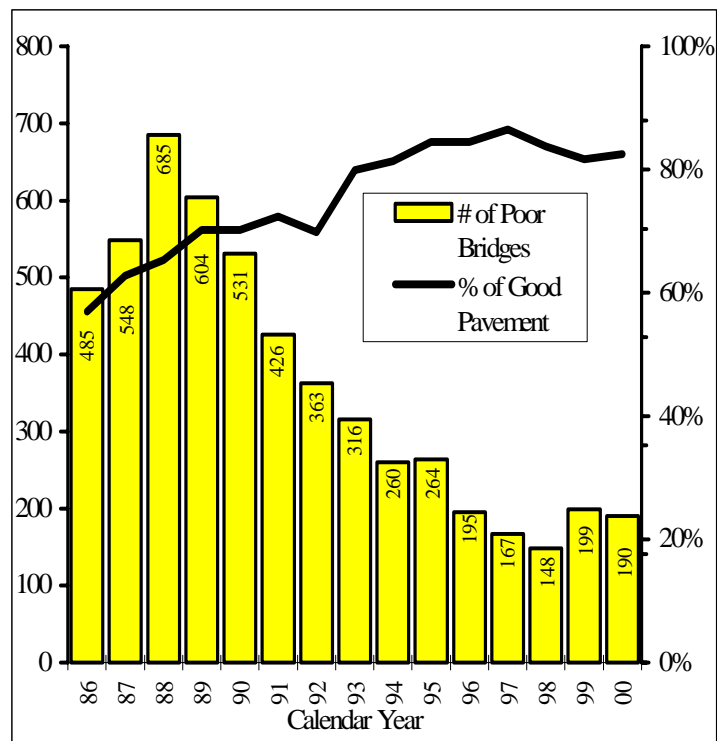
- The fatality accident rate for Connecticut is 1.0 fatalities per 100 million vehicle miles of travel. Connecticut has the second lowest fatality rate in the Nation. The National Average is 1.5 fatalities per 100 million vehicle miles of travel.

Maintenance

- Continued investment in pavement condition has resulted in ongoing increases in the number of lane miles that are rated good or better. The rating has increased from 43.8% in 1984, to 82.5% in 2000. The overall condition of the State's bridges is also continuing to improve. The number of bridges rated poor has declined from a high of 685 in 1988 to 190 poor bridges in 2000. Throughout the State, bus rolling stock is being replaced on schedule. Rail rolling stock, bridges, track, roadbeds, control systems, and the overall power supply have been maintained and upgraded. General Aviation Airport maintenance has focused its program on the rehabilitation of its pavements, rehabilitated Taxiway B and J at Hartford-Brainard, extended Taxiway A at Windham and the reconstruction of Runway 13-31 and Taxiway A at Danielson Airport.

Productivity

- Over 900 intersections are currently controlled by centralized or on street computerized systems to enhance



- the flow of traffic on the State Highway system. Incident management systems currently operate on I-95 from Greenwich to New Haven and on I-84/I-91 in the Greater Hartford area to monitor and aid traffic flow. In addition, 75 remote controlled variable message signs are in operation to aid travelers. The Connecticut Highway Assistance Motor Pool (CHAMP) continues to operate in the I-95 corridor and serves an average of 800 to 1000 motorists per month. This service was expanded in the fall of 1999 to include I-91, I-84 and Route 2 in the Greater Hartford area where it serves 700 to 900 motorists per month. Rail schedules and train sizes are monitored and adjusted to meet travel demand. In cooperation with service providers the deployment, headways, and schedules of bus services

are being reviewed and changed, where necessary, to better serve the needs of urban and rural users.

Economic Development

- A well-maintained transportation infrastructure consisting of integrated and complementary, highway, bus, rail, general aviation, and waterways systems is absolutely essential to the State's ability to maintain existing economic activity and foster new economic growth. The safety and productivity of the transportation infrastructure is critical to ensuring the continued economic growth and development of the State. Completion of the rebuilding of the State Pier in New London is an example of a transportation investment that will stimulate economic activity.

INITIATIVES FOR FY 2003

Major transportation system enhancement projects that are currently underway, or will be started include:

- I-95 reconstruction, Branford – Phase 1 of the new Pearl Harbor Memorial Bridge in New Haven.
- Reconstruction of I-95 Bridgeport.
- Reconstruction of I-84 Waterbury.
- Replacement of the Sikorsky Bridge on Route 15 in Milford.
- Reconstruction of US 7 and related improvements.
- Improvements to the Merritt Parkway.
- Interchange improvements along the I-95 corridor in Norwalk and New Haven.
- Resurfacing of 425 two-lane miles per year, including related bridge and safety improvements.
- Implementation of the Hartford area traffic management system, involving video cameras, traffic flow monitoring and variable message signs along 60 miles of I-84, I-91 and route 2.
- 22 projects in the Surface Transportation Program (STP) – urban programs for reconstruction, widening, and intersection improvements.
- 53 projects for bridge repair, rehabilitation and replacement.
- 88 projects for safety improvements, roadway reconstruction, resurfacing and installation of traffic signal systems.
- Construction of 6 salt storage facilities.

Major investments in the public transportation system that are currently underway, or will be started include:

- Construction of an expanded Stamford rail parking garage.
- Improvements to New Haven Line shops and rail yards.
- Including construction of transportation building.
- Catenary section replacements on the New Haven Line in Bridgeport, New Haven and Norwalk.
- Construction of new rail station facilities on the Shore Line East commuter service in Guilford, Madison, Clinton, and Westbrook.
- Construction of the New Haven bus garage.

- Construction of the Waterbury bus garage.
- Replacement or repair of bridges and culverts along the New Haven Line, including Boston Post Road bridge in Darien, and Monroe Street bridge in Norwalk.
- Replacement of 22 transit buses and 25 smaller transit vehicles.
- Overhaul of 242 M-2 rail cars used in New Haven Line commuter service.

Major analysis/studies/plans for future initiatives that are currently underway, or will be started include:

- I-84 Danbury to Waterbury, Environmental Analysis.
- Rt. 2/2A/32, Recommended Improvements Coordination.
- Rt. 11, Implementation.
- New Britain – Hartford, Busway Implementation.
- Hartford – Manchester, Busway Analysis / EIS.
- Expanded Rail Parking Assessments.
- Strategic Immediate Action Projects Identified by the TSB.

Major airport and waterway improvements that are currently underway, or will be started include:

- Construction of a general aviation ramp near the T-Hangar at Windham Airport.
- Reconstruction of Taxiway J at Hartford-Brainard Airport.
- Reconstruction Runway 15-33, relocate Taxiway B, and runway safety improvements at Groton-New London Airport.
- Enhancement of runway safety areas, construction of Taxiway F extension at Oxford-Waterbury Airport.
- Reconstruction of the west side of the Admiral Shear State Pier.
- Construction of a 50,000 square foot Warehouse at the State Pier.
- Improvements to the Chester-Hadlyme ferry slips.

Beyond these initiatives, the Department of Transportation has scheduled repairs and improvements to five of its state buildings and construction of a new facility in Colchester. Also DOT will continue to modify its buildings in order to meet security requirements and maintain compliance with OSHA and ADA standards.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Restore Energy Funding

2002-2003

2,770,419

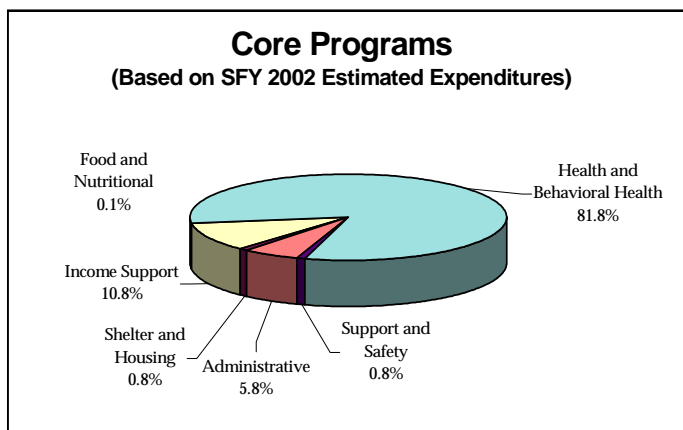
AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Special Transportation Fund	3,637	3,629	3,629	0	3,629
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Pmts to Local Governments</u>					
Town Aid Road Grants	34,856,862	35,000,000	35,000,000	0	35,000,000
TOTAL - General Fund	34,856,862	35,000,000	35,000,000	0	35,000,000
Personal Services	111,681,244	123,871,816	131,450,727	0	131,450,727
Other Expenses	35,804,177	31,194,864	31,142,486	2,697,032	33,839,518
<u>Capital Outlay</u>					
Equipment	1,489,666	1,500,000	1,500,000	0	1,500,000
Minor Capital Projects	66,399	350,000	350,000	0	350,000
Highway & Bridge Renewal-Equipment	13,476,124	4,000,000	4,000,000	0	4,000,000
TOTAL - Capital Outlay	15,032,189	5,850,000	5,850,000	0	5,850,000
<u>Other Current Expenses</u>					
Highway Planning and Research	2,138,918	2,715,778	2,768,418	0	2,768,418
Transit Equipment	8,207,717	0	0	0	0
Handicapped Access Program	7,411,906	7,828,800	8,259,400	0	8,259,400
Hospital Transit for Dialysis	113,000	113,000	113,000	0	113,000
Rail Operations	62,593,587	65,795,592	69,585,798	73,387	69,659,185
Bus Operations	66,883,960	67,461,199	72,128,068	0	72,128,068
Tweed - New Haven Airport Improvements	1,800,000	0	0	0	0
Dial-A-Ride	2,500,000	2,500,000	2,500,000	0	2,500,000
Highway and Bridge Renewal	12,877,801	12,000,000	12,000,000	0	12,000,000
TOTAL - Other Current Expenses	164,526,889	158,414,369	167,354,684	73,387	167,428,071
TOTAL - Special Transportation Fund	327,044,499	319,331,049	335,797,897	2,770,419	338,568,316
TOTAL - ALL FUNDS	361,901,361	354,331,049	370,797,897	2,770,419	373,568,316



DEPARTMENT OF SOCIAL SERVICES

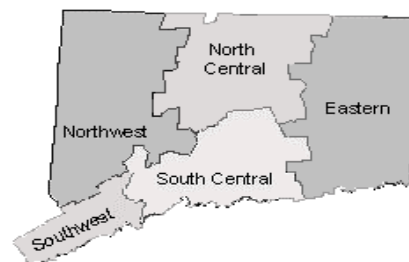
AGENCY PURPOSE



The Department of Social Services (DSS) serves families and individuals who need assistance in maintaining or achieving their full potential for self-direction, self-reliance and independent living.

- In support of this mission, the department provides a continuum of programs and services to eligible residents of Connecticut.

- DSS is responsible for administering over ninety legislatively authorized programs as well as a number of federal programs that provide food and nutritional services, shelter and housing services, income support services, health and behavioral health services and support and safety services.
- Services are provided through the department's central office in Hartford and 17 offices located in five regions across the state.



RECENT HIGHLIGHTS

- The department was one of the first in the nation to implement federal "Ticket to Work" legislation, a comprehensive medical plan for the working disabled. As of October 1, 2001, 1,600 people have participated in the program.
- Hospital-based paternity establishments for FY 2000-01 rose to seventy-three percent (73%).
- Significantly increased support payments collected for children, to an estimated \$225.8 million for FY 2000-01, an increase of almost \$18 million over FY 1999-00.
- The HUSKY Plan, cited as one of the top four children's health insurance programs in the nation by the Children's Defense Fund in 1998, enrolled approximately 255,000 members in FY 2000-01.
- In an average month, nearly 30,000 low income children participated in the Child Care Assistance Program, while state-supported child care centers and school age programs served another 12,000 families.
- Thousands of clients have become employed as a result of welfare reform. The paid caseload for the Temporary Family Assistance program decreased to 27,659 in June 2001.
- The department's Fatherhood Initiative has launched media campaigns, co-sponsored a series of public hearings and community forums, co-funded fatherhood components in alternative incarceration centers and developed fatherhood curriculum for incarcerated fathers.
- This past year, the Connecticut Home Care Program provided a wide range of home health and community-based services to approximately 13,000 seniors, allowing elderly at risk of institutionalization to receive the support they need to remain in their homes.
- In the past year, \$13 million in funds from the federal Older Americans Act provided a multitude of social services to an estimated 100,000 seniors across the state.
- Continued aggressive efforts at fraud prevention. As part of the Fraud Early Detection Program, the department estimates that up to \$8 million may have been saved through cost avoidance during FY 2000-01.

INITIATIVES FOR FY 2003

- Provide full medical services to uninsured women under age 65 who have been identified through the Centers for Disease Control and Prevention's National Breast and Cervical Cancer Early Detection Program and who need treatment for breast or cervical cancer, including pre-cancerous conditions and early stage cancer.

Budget Summary

- Implement the recommendations of the Fatherhood Advisory Council for statewide replication of models to promote and support the emotional and financial involvement of fathers with their children.
- Improve access to community-based services and reduce unnecessary use of institutional care by children and adults with serious behavioral health disorders through the Behavioral Health Partnership.
- Increase administrative effectiveness in the Food Stamp Program to meet, if not exceed, national federal standards for accuracy.
- Align the department's programs and policies to promote the healthy development and academic success of young children and youths in preparation for school.
- Enhance the quality of child care provided by Kith and Kin providers (i.e., relatives, friends and neighbors) through resources, information, education and training.

RECOMMENDED ADJUSTMENTS

Reductions	<u>2002-2003</u>
• Restructure Pharmacy Programs	-19,700,000
• Repeal Funding for Nursing Home Staffing	-7,000,000
• Restructure HUSKY Adult Program	-5,600,000
• Rescind Physician Rate Relief	-3,900,000
• Restructure Psychiatric Reinsurance	-3,200,000
• Delay Nursing Home Rate Increases by One Month	-2,100,000
• Require Nursing Home Beds to be Licensed as both Medicare and Medicaid Beds	-1,900,000
• Restructure Medical Services under SAGA	-8,600,000
• Restructure the HUSKY Outreach and Data Collection Account	-4,026,307
• Utilize Federal Funds for the State Appropriated Fuel Assistance Program	-2,081,170
• Establish an Asset Test in ConnPACE (\$50,000 for Single Individuals and \$75,000 for Married Couples)	-1,900,000
• Enhance In-House Research, Data Analysis and Revenue Maximization Capability	-1,189,704
• Reduce Funding for Various Support Programs	-870,461
• Eliminate Personal Care Assistance Programs and Transfer Clients to PCA Waiver Where Applicable	-589,370
• Restructure Elderly Health Screening to Ensure Programs Target Low Income and Minority Clients	-314,045
• Reduce General Fund Security Deposit Allocation Based on Anticipated Needs	-136,553
Reallocations or Transfers	
• Transfer Funding from DMHAS to DSS to Cover Behavioral Health Pharmacy Claims under SAGA	3,500,000
• Reallocate Data Processing Dollars to Other Expenses and Personal Services	0
• Reallocate Funding for Anti-Hunger Programs to Shelter Services	0
Technical Adjustments	
• Provide Additional Funds Based on Current Expenditure and Caseload Trends	65,719,213
• Reallocate Funding for Private Provider COLAs	507,667
• Revise Funding Levels for New Child Care Services Based on Anticipated Federal Funding	-7,395,399
• Continue FY 2002 Savings Program	-4,119,987
• Maximize Federal Funding for Pharmacy Administration	-131,797
• Eliminate Funding for the Independent Living Centers - Administration Account	-24,388
• Transfer Other Expense Items to More Appropriately Reflect Their Purpose	
Expansion Adjustments	
• Restructure Rates for Managed Care Organizations Participating in HUSKY	19,510,000
• Enhance the Urban DSH Program	15,000,000
• Enhance Funding for Certain Home Health Providers in Financial Distress	2,500,000
• Enhance Medical Rates for Certain Providers	1,245,000
• Implement a Pilot Program to Subsidize Employer Sponsored Health Plans	1,500,000
• Enhance Funding for Home Health Providers	1,225,700
• Enhance Lifestar Funding	500,000
• Establish Pilots to Increase Community-Based Alternatives to Nursing Home Care	-249,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	2,149	2,149	2,149	90	2,239
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	104,492,573	112,138,300	117,379,410	4,932,100	122,311,510
Other Expenses	47,144,754	46,471,567	46,397,215	43,622,377	90,019,592
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Financial Management Reporting	445,336	0	0	0	0
HUSKY Outreach and Data Collection	5,473,172	4,475,060	5,475,060	-3,975,060	1,500,000
Independent Living Center- Admin	24,388	24,388	24,388	-24,388	0
Anti-Hunger Programs	227,016	215,665	227,016	-227,016	0
Genetic Tests in Paternity Actions	159,560	207,560	218,484	-10,924	207,560
State Food Stamp Supplement	1,816,226	1,130,204	1,184,763	772,643	1,957,406
Day Care Projects	490,533	466,006	490,533	-24,527	466,006
Commission on Aging	237,433	205,121	281,033	-61,849	219,184
Information Technology Services	40,672,056	47,939,596	50,070,978	-50,070,978	0
HUSKY Program	10,940,317	17,668,000	21,091,470	5,271,530	26,363,000
TOTAL - Other Current Expenses	60,486,037	72,331,600	79,063,725	-48,350,569	30,713,156
<u>Pmts to Other Than Govts</u>					
Vocational Rehabilitation	7,067,494	7,068,478	7,068,478	0	7,068,478
Medicaid	2,372,993,625	2,497,847,302	2,593,271,493	34,282,106	2,627,553,599
Lifestar Helicopter	0	1,000,000	1,000,000	500,000	1,500,000
Old Age Assistance	29,823,382	29,406,789	31,779,221	-1,982,294	29,796,927
Aid to the Blind	580,347	580,651	587,149	32,186	619,335
Aid to the Disabled	58,430,354	57,000,740	59,323,266	-2,472,032	56,851,234
Temporary Assistance to Families	23,651,284	0	0	0	0
Temporary Assistance to Families - TANF	124,051,046	140,072,353	122,540,334	9,576,770	132,117,104
Adjustment of Recoveries	127,188	150,000	150,000	0	150,000
Emergency Assistance	325	500	500	0	500
Food Stamp Training Expenses	0	130,800	130,800	0	130,800
Conn Pharmaceutical Assist to Elderly	37,861,577	42,900,010	74,468,137	-10,744,910	63,723,227
DMHAS - Disproportionate Share	151,000,000	105,935,000	105,935,000	0	105,935,000
Connecticut Home Care Program	21,410,509	18,200,000	25,380,000	1,906,000	27,286,000
Human Resource Dev-Hispanic Programs	105,506	95,506	105,506	-10,000	95,506
Services to the Elderly	5,869,043	6,148,498	6,498,623	-563,729	5,934,894
Hospital Assistance Program	1,512,642	0	0	0	0
Safety Net Services	4,705,920	3,774,193	4,288,624	-514,431	3,774,193
Transportation for Employment Independence	2,812,979	2,793,408	2,940,430	-147,022	2,793,408
Opportunity Industrial Centers	310,466	0	0	0	0
Transitory Rental Assistance	2,357,218	1,149,902	3,420,950	-2,418,138	1,002,812
Refunds of Collections	81,937	200,000	200,000	0	200,000
Energy Assistance	1,750,000	2,081,170	2,081,170	-2,081,170	0
Services for Persons with Disabilities	6,590,010	6,237,444	6,925,727	-1,347,175	5,578,552
Child Care Services	5,713,967	0	0	0	0
Child Care Services - TANF/CCDBG	106,641,717	122,509,981	115,474,708	-2,620,568	112,854,140
Residences for Persons with AIDS	3,017,607	0	0	0	0

Budget Summary

Nutrition Assistance	95,617	95,617	95,617	0	95,617
Housing/Homeless Services	18,143,041	22,727,440	25,392,337	129,112	25,521,449
Employment Opportunities	871,135	871,135	871,135	0	871,135
Human Resource Development	3,827,696	3,386,311	3,827,696	-441,385	3,386,311
Child Day Care	5,958,610	3,493,482	3,677,350	-183,868	3,493,482
Independent Living Centers	729,444	692,972	729,444	-72,944	656,500
AIDS Drug Assistance	615,917	615,917	615,917	0	615,917
Shelter Svcs Victims Household Abuse	28,091	0	0	0	0
Disproportionate Share-Med Emergency Assist	205,487,358	85,000,000	85,000,000	0	85,000,000
DSH - Urban Hospitals	0	15,000,000	15,000,000	15,000,000	30,000,000
State Administered General Assistance	94,065,800	99,051,852	101,442,033	841,894	102,283,927
School Readiness	5,604,681	4,607,500	3,850,000	-242,500	3,607,500
Connecticut Children's Medical Center	6,776,000	7,000,000	7,000,000	0	7,000,000
Community Services	72,828	0	354,187	-354,187	0
TOTAL - Pmts to Other Than Govts	3,310,742,361	3,287,824,951	3,411,425,832	36,071,715	3,447,497,547
<u>Pmts to Local Governments</u>					
Child Day Care	4,876,486	3,629,725	3,629,725	0	3,629,725
Human Resource Development	77,666	77,666	77,666	-7,767	69,899
Human Resource Dev-Hispanic Programs	12,150	12,150	12,150	-1,215	10,935
Teen Pregnancy Prevention	988,380	1,092,420	1,192,420	-87,242	1,105,178
School Based Child Health	8,599,939	0	0	0	0
Services to the Elderly	0	49,236	49,236	0	49,236
Housing/Homeless Services	0	592,427	592,427	0	592,427
Vocational Rehab Transition Plan	40,576	0	0	0	0
TOTAL - Pmts to Local Governments	14,595,197	5,453,624	5,553,624	-96,224	5,457,400
TOTAL - General Fund	3,537,461,922	3,524,221,042	3,659,820,806	36,179,399	3,696,000,205



SOLDIERS', SAILORS' AND MARINES' FUND

AGENCY PURPOSE

- To provide temporary financial assistance to needy wartime veterans and their families.
- To provide counseling and guidance to veterans in helping to overcome the circumstances that create the need for assistance.
- To refer veterans to appropriate state, federal and local facilities and/or services in circumstances where long-term assistance is required.

RECENT HIGHLIGHTS

- Drafted, reviewed, revised and published new procedural manual for Fund representatives.
- Assisted the Connecticut Department of Labor and participated in regional job fairs for veterans.
- Upgraded Internet access and web page.

INITIATIVES FOR FY 2003

- Reduce waste and duplication in the processing of cases.
- Improve the agency's EDP hardware, software and telecommunication systems.
- Improve and enhance the training of field representatives.
- Improve accessibility and ease of use of the agency's website.
- Expand and enhance the partnership with state and local social services professionals.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Vacant Position and Related Funding

2002-2003

-53,923

AGENCY SUMMARY

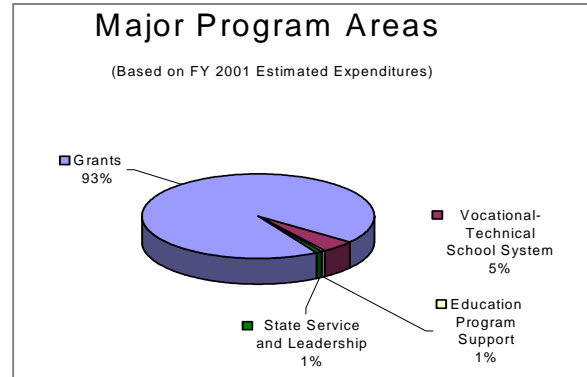
<i>Personnel Summary</i>	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
Soldiers', Sailors' and Marines' Fund	19	17	17	-1	16
<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	739,682	801,238	826,652	-38,464	788,188
Other Expenses	391,986	439,453	451,985	-15,459	436,526
<u>Capital Outlay</u>					
Equipment	11,535	15,000	7,500	0	7,500
<u>Other Current Expenses</u>					
Award Payments to Veterans	1,794,325	1,900,000	1,930,000	0	1,930,000
TOTAL - Soldiers', Sailors' and Marines' Fund	2,937,528	3,155,691	3,216,137	-53,923	3,162,214



DEPARTMENT OF EDUCATION

AGENCY PURPOSE

- Support school districts with leadership, research, planning, evaluation, education technology and other assistance as needed.
- Distribute funds to school districts through 38 grant programs, including Education Cost Sharing - at \$1.5 billion, by far the largest grant to districts.
- Operate the 17 vocational-technical schools, 2 satellites and 1 technical education center, which serve 10,588 full-time high school students and 7,687 part-time adult program registrants.
- Assess the achievements of students and schools through statewide testing, strategic school profiles and reporting on the condition of education.
- Ensure the quality of teachers by testing teacher candidates, by supporting and assessing beginning teachers, and by providing professional development opportunities.



RECENT HIGHLIGHTS

An additional 4,000 students entered Connecticut's classrooms (Pre-K through Grade 12) this year in more than 1,000 public school buildings, bringing our statewide enrollment to a 21-year high of 571,216. Last year, for the first time in decades, more than 30,000 seniors earned their high school diplomas, and more than 24,000 of them went on to higher education. For the class of 2001-02, we expect more than 25,000 of the nearly 32,000 high school graduates to continue on to higher education.

With 12 years of increasing enrollments, Connecticut has also been rebuilding and expanding its public schools. School and community officials in virtually every district have been directing a record number of building projects to upgrade, expand or replace school facilities. These annual investments will continue for the next few years as work on an estimated \$5 billion in authorized school construction projects goes forward. State cost sharing in building projects as well as increases in formula and targeted grants have helped to increase the state share of the cost of local public education from 39 percent in 1995 to more than 43 percent in 2001.

The 2001-02 school year began with several positive trends:

- There is an average of 5 students per computer, down from more than 10 students per computer just five years ago.
- Connecticut's dropout rate continues to fall: 12.2 percent for the Class of 2000 — down from 14.6 percent in 1999 and 16.4 percent in 1996. Connecticut is one of the nation's "most improved" states in high school completion, according to the National Goals Panel.

INITIATIVES FOR FY 2003

- Continue to work with the Connecticut Commission for Education Technology to create the Education Network that will provide all schools, libraries, and higher education

- This year more than 100,000 students are participating in some way in quality educational programs with students from other backgrounds as part of the state's efforts to reduce student isolation.
- Enrollment in Project Choice, public charter schools and magnet schools continues to grow. New magnet schools opened in Meriden, New Haven and Hartford this year.
- More students in Connecticut are taking Advanced Placement (AP) exams and earning college credit. The number of high school AP candidates increased 13 percent to 8,771 last year. Connecticut is now ranked in the top three states in the nation in this category. Also, at 71 percent Connecticut ranks number 6 in the nation in the percentage of passing scores (3 to 5) on AP exams. Of the top six states, Connecticut has the highest percentage of schools that participate in AP — 97.3 percent.
- Latino fourth graders in Connecticut made more progress in reading from 1992 to 1998 than Latino fourth graders in any other state in the country. African American fourth graders in Connecticut made the second best progress in the country in reading from 1992 to 1998. (The Education Trust/NAEP)
- Connecticut's high school students aspire to higher education in record numbers: Connecticut's SAT participation rate — more than 8 in 10 graduates — is highest in the nation. Connecticut has the highest percentage of high school graduates scoring 600 or above on the math and verbal SATs.
- Connecticut is ranked fifth in the nation in pupil-teacher ratios at 13:9. Average class sizes statewide range from 18.6 in kindergarten to 19.9 in high school.

facilities with high-speed data, voice, and video transmissions.

- Develop and implement technology standards for teachers.

- Continue developing and refining the Primary Mental Health grant, which provides evaluations and counseling for very young children, in grades kindergarten through three, who demonstrate behavioral health problems.
- Continue the gradual removal of the cap on the Education Cost Sharing (ECS) grant. The cap on ECS growth artificially constrains growth to 6% a year, limiting the increases in the grant that communities should get according to the ECS formula.
- In accordance with Executive Order 24, study the role of the vocational-technical schools curriculum offerings in responding to the future needs of Connecticut's economy. The task force shall develop an action plan for vocational technical education in Connecticut that will translate the short and long-term needs of Connecticut's economy, particularly those supporting growth, emerging and technology industries, into the programming, budgeting and planning strategies for Connecticut's vocational technical school system.

RECOMMENDED ADJUSTMENTS

Reductions	<u>2002-2003</u>
<ul style="list-style-type: none"> • Realign COLA, Cap, Lapse, and Overall Funding for ECS Changes include eliminating funding for one-time COLA, reducing the increase in funding provided for the growth cap phase-out by \$10 million, a reduction to the overall grant by the expected FY 2003 lapse, and a two percent reduction to each town's grant. 	-48,900,000
<ul style="list-style-type: none"> • Delay Increase in Special Education - Excess Cost Reimbursement Delay until FY 2004 the implementation of the change in the reimbursement formula for Special Education costs from 5x the average per pupil cost for the prior fiscal year to 4.5x. 	-9,000,000
<ul style="list-style-type: none"> • Eliminate Special Education - Equity Grant In recognition of the need for significant ongoing infusions of funding in the Special Education Excess Cost - Student Based grant and recent years of uncontrolled increases in cost, funding for this grant, which reaches a limited group of towns is eliminated. 	-7,500,000
<ul style="list-style-type: none"> • Eliminate Transitional School District Grant 	-1,000,000
<ul style="list-style-type: none"> • Cap Funding for the Adult Education Grant 	-1,620,000
<ul style="list-style-type: none"> • Cap Funding for the Transportation of School Children Grant The State's reimbursement for costs associated with the transportation of school children to public schools will be held at the FY 2002 expenditure level. 	-2,200,000
<ul style="list-style-type: none"> • Cap Funding for Non-public Transportation Grant The State's reimbursement for costs associated with the transportation of school children to non-public schools will be held at the FY 2002 expenditure level. This proposal will not impact the transportation services that districts provide to these children. 	-240,000
<ul style="list-style-type: none"> • Reduce Reimbursement Rate for RESC Leases Currently, RESC lease costs are an entitlement, the costs or programs for which are not controlled by the state. The budget proposes a modification to the current formula which would encourage further cost efficiencies by the RESCs. 	-282,663
<ul style="list-style-type: none"> • Transfer Equipment to Capital Equipment Purchase Fund 	-925,000
<ul style="list-style-type: none"> • Reduce Various OCE and Grant Accounts by 10% Funding for the following OCE and grant accounts will be reduced by 10%: Institutes for Educators; Connecticut Pre-Engineering Program; Contracting Instructional TV Services; Jobs for Connecticut Graduates; Young Parents Program; Vocational Agriculture Grant; Regional Educational Service Centers Grant; and School to Work Opportunities. 	-781,276
<ul style="list-style-type: none"> • Eliminate Funding for Hartford Public School Monitors 	-260,000
Technical Adjustments	
<ul style="list-style-type: none"> • Continue FY 2002 Savings Program Reduce the Repair of Instructional Equipment and Minor Repairs to Plant Accounts by the FY 2002 Savings Program. 	-123,750
<ul style="list-style-type: none"> • Revise Estimates for Various Grant Programs Update estimates for the following major grants: Education Cost Sharing, Adult Education, RESC Lease Costs, and the Non-public Transportation Grant. 	2,546,000
<ul style="list-style-type: none"> • Increase Teacher Staffing Levels at Vocational-Technical Schools Increase staffing levels at the Regional Vocational-Technical Schools to meet increased enrollment needs. An additional 18 faculty are provided for along with full funding to maintain current staffing levels. 	3,140,785
<ul style="list-style-type: none"> • Provide for Vocational-Technical School Equipment 	925,000
<ul style="list-style-type: none"> • Restore Energy Funding 	538,046
<ul style="list-style-type: none"> • Increase Educational Funding for Students in Mental Health Facilities A change in legislation has increased the number of special education students that the Department of Mental Health and Addition Services is responsible for, and the sites at which services will be provided. This increase will provide special educational services for an additional 20 clients a year. 	700,000
<ul style="list-style-type: none"> • Reflect Increases in Special Education Enrollment and Costs Cost increases of 11% in fiscal year 2002 along with an anticipated change in the reimbursement formula for fiscal year 2003 require a significant adjustment to the Special Education - Excess Cost - Student Based grant for fiscal year 2003. 	11,000,000

Expansion Adjustments

- Increase Funding for the Primary Mental Health Program 50,000
Fund further expansion in the Primary Mental Health Program, which provides evaluations and counseling for children in grades kindergarten through three who demonstrate behavioral health problems.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	1,696	1,719	1,749	18	1,767
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	102,906,412	109,594,085	117,508,537	3,140,785	120,649,322
Other Expenses	13,116,301	11,809,467	12,325,909	538,046	12,863,955
<u>Capital Outlay</u>					
Equipment	0	141,000	60,500	0	60,500
<u>Other Current Expenses</u>					
Training Paraprofessionals - Teaching	46,261	0	0	0	0
Institutes for Educators	305,225	290,320	305,600	-30,560	275,040
Basic Skills Exam Teachers in Training	1,118,404	1,120,537	1,207,821	0	1,207,821
Teachers' Standards Implementation Pgm	3,519,067	3,345,303	3,527,796	0	3,527,796
Early Childhood Program	38,051,323	2,676,245	2,817,035	0	2,817,035
Education Technology - Training Init.	2,500,000	0	0	0	0
Admin - Early Reading Success	1,637,319	0	0	0	0
Admin - Magnet Schools	191,590	0	0	0	0
Admin - School Accountability	27,398	0	0	0	0
Admin - Extended School Hours	54,338	0	0	0	0
Adult Basic Education	896,000	0	0	0	0
Develop of Mastery Exams Grades 4,6&8	5,479,269	6,271,931	6,879,931	0	6,879,931
Interdistrict Cooperative Pgm - Admin	104,046	0	0	0	0
Admin - Library Book Grants	9,715	0	0	0	0
Admin - School Wiring	73,000	0	0	0	0
Primary Mental Health	294,000	500,762	507,980	50,000	557,980
Admin - Youth Service Bureaus	45,511	0	0	0	0
Adult Education Action	285,000	285,000	285,000	0	285,000
Vocational Technical School Textbooks	788,058	800,000	800,000	0	800,000
Repair of Instructional Equipment	226,107	663,750	737,500	-73,750	663,750
Minor Repairs to Plant	313,852	450,000	550,000	-50,000	500,000
Connecticut Pre-Engineering Program	400,000	380,000	400,000	-40,000	360,000
Contracting Instructional TV Services	209,000	209,000	209,000	-20,900	188,100
Connecticut Writing Project	100,000	0	0	0	0
Jobs for Connecticut Graduates	275,000	275,000	275,000	-27,500	247,500
Science and Technology - Jason Project	150,000	0	0	0	0
Hartford Public School Monitors	171,868	0	260,000	-260,000	0
Developmentally Disabled Settlement	0	435,000	435,000	0	435,000
TOTAL - Other Current Expenses	57,271,351	17,702,848	19,197,663	-452,710	18,744,953
<u>Pmts to Other Than Govts</u>					
American School for the Deaf	7,276,295	7,456,295	7,636,295	0	7,636,295
RESC Leases	1,477,393	1,600,000	2,300,000	-1,106,663	1,193,337
Regional Education Services	3,297,384	3,132,515	3,297,384	-329,738	2,967,646
Omnibus Education Grants State Support	2,704,404	2,829,000	2,829,000	700,000	3,529,000
Head Start Services	3,100,000	2,970,750	3,100,000	0	3,100,000

Head Start Enhancement	1,948,470	1,875,000	2,000,000	0	2,000,000
Family Resource Centers	6,050,000	6,132,500	6,132,500	0	6,132,500
Nutmeg Games	50,000	50,000	50,000	0	50,000
Charter Schools	13,725,000	14,542,000	16,254,000	0	16,254,000
TOTAL - Pmts to Other Than Govts	39,628,946	40,588,060	43,599,179	-736,401	42,862,778
<u>Pmts to Local Governments</u>					
School Building Grant & Interest Subsidy	0	1,033	0	0	0
Interest Subsidy Debt Avoidance Grants	1,906,888	0	0	0	0
School Construction Grants	292,713,001	0	0	0	0
Vocational Agriculture	2,816,700	2,816,700	2,816,700	-281,670	2,535,030
School Wiring	9,888,491	0	0	0	0
Transportation of School Children	45,939,134	47,500,000	50,000,000	-2,200,000	47,800,000
Adult Education	15,344,655	17,700,000	18,600,000	-800,000	17,800,000
Health/Welfare Svcs for Pupils Private Sch	3,174,743	4,030,116	4,000,000	0	4,000,000
ECS Hartford Supplemental School Aid	5,700,000	0	0	0	0
Education Equalization Grants	1,384,627,280	1,456,744,884	1,515,500,000	-46,000,000	1,469,500,000
Bilingual Education	2,252,000	2,303,796	2,359,087	0	2,359,087
Priority School Districts	20,057,500	81,774,351	81,622,258	0	81,622,258
Young Parents Program	259,080	259,080	259,080	-25,908	233,172
Interdistrict Cooperation	17,766,944	12,956,111	12,960,424	0	12,960,424
School Breakfast Program	1,559,805	1,559,805	1,559,805	0	1,559,805
Excess Cost - Student Based	58,398,566	66,000,000	69,000,000	2,000,000	71,000,000
Excess Cost - Equity	11,500,000	8,500,000	7,500,000	-7,500,000	0
Student Achievement Grant	1,500,000	0	0	0	0
Non-Public School Transportation	4,537,489	5,025,000	5,300,000	-590,000	4,710,000
Celebration of Excellence	25,000	0	0	0	0
School to Work Opportunities	250,000	250,000	250,000	-25,000	225,000
Extended School Hours and Support Pgms	3,108,185	79,718	79,751	0	79,751
Youth Service Bureaus	2,855,986	2,926,109	2,927,612	0	2,927,612
OPEN Choice Program	6,651,400	7,028,000	8,740,000	0	8,740,000
Lighthouse Schools	300,000	300,000	300,000	0	300,000
Transitional School Districts	2,500,000	1,000,000	1,000,000	-1,000,000	0
Early Reading Success	20,571,876	2,235,544	2,236,461	0	2,236,461
Magnet Schools	29,891,217	33,041,170	45,188,220	0	45,188,220
Library Books Grants to Towns	3,115,530	0	0	0	0
Supplemental Education Aid	0	9,000,000	0	0	0
School Accountability	7,650,000	0	0	0	0
TOTAL - Pmts to Local Governments	1,956,861,470	1,763,031,417	1,832,199,398	-56,422,578	1,775,776,820
TOTAL - General Fund	2,169,784,480	1,942,866,877	2,024,891,186	-53,932,858	1,970,958,328



BOARD OF EDUCATION & SERVICES FOR THE BLIND

AGENCY PURPOSE

- Established in 1893, BESB provides statewide comprehensive, community-based programs through a continuum of individualized education, rehabilitation and social services programs to visually impaired children and legally blind individuals of all ages.
- Work with individuals and families in enhancing life skills and acquiring support services necessary to function with independence in the home, community, social, and vocational environments.
- Provide specialized educational services to blind and visually impaired children from birth to high school graduation or age twenty-one.
- Develop and implement outreach programs to churches, schools, organizations, senior centers, etc., to create an awareness of BESB and the services it provides to the blind population of the state.
- Make available independent living programs along with support groups directed to the elderly population who have recently been diagnosed as legally blind.
- Coordinate interagency programs and services for deaf-blind persons.

RECENT HIGHLIGHTS

- Continued upgrades to computer and accounting systems.
- Substantial increase in the number of outreach programs for seniors.
- Coordinated services with the Workforce Development Boards to improve job opportunities for the blind.
- Initiated seamless service delivery by integrating various units and programs into a client management system.
- Increased the number of outreach programs for children.
- Began organizational review of agency to determine most effective structure to improve delivery and effectiveness of services.

INITIATIVES FOR FY 2003

- Development and implementation of plans designed to improve services to workshop clients.
- Further development and implementation of Leaders for Tomorrow Program, which will increase independent living skills for children.
- Increase interaction with our community stakeholders.
- Align unit goals and performance measures with objectives established in agency-wide strategic plan.

RECOMMENDED ADJUSTMENTS

Reallocations or Transfers

- Modify Children's Services Account Structure

2002-2003

0

Technical Adjustments

- Adjust For Personal Services Update

89,600

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<i>Permanent Full-Time Positions</i>					
General Fund	91	90	90	1	91
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	4,364,647	5,129,151	5,325,390	89,600	5,414,990
Other Expenses	2,465,108	1,535,218	1,535,218	0	1,535,218
<i>Capital Outlay</i>					
Equipment	1,062	1,000	1,000	0	1,000

Other Current Expenses

Educational Aid Visually Handicapped Child	0	0	0	7,476,945	7,476,945
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Pmts to Other Than Govts

Supplementary Relief and Services	133,405	123,350	123,350	0	123,350
Education Handicapped Blind Children	5,315,752	5,738,166	5,738,166	-5,738,166	0
Vocational Rehabilitation	998,583	1,004,522	1,004,522	0	1,004,522
Education of Pre-School Blind Children	109,852	124,887	124,887	-124,887	0
Special Training for the Deaf Blind	350,129	354,540	354,540	0	354,540
Connecticut Radio Information Service	44,477	44,477	44,477	0	44,477
TOTAL - Pmts to Other Than Govts	6,952,198	7,389,942	7,389,942	-5,863,053	1,526,889

Pmts to Local Governments

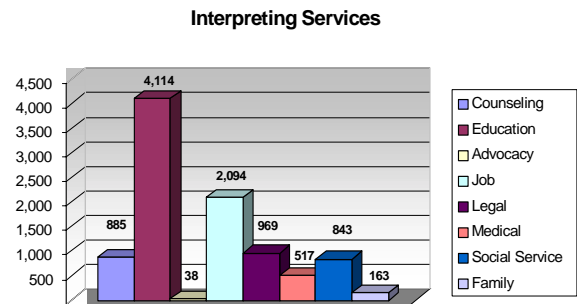
Services for Persons Impaired Vision	687,881	442,672	442,672	-442,672	0
Tuition & Services-Public School Children	1,308,220	1,171,220	1,171,220	-1,171,220	0
TOTAL - Pmts to Local Governments	1,996,101	1,613,892	1,613,892	-1,613,892	0
TOTAL - General Fund	15,779,116	15,669,203	15,865,442	89,600	15,955,042



COMMISSION ON THE DEAF & HEARING IMPAIRED

AGENCY PURPOSE

- Advocate, strengthen and implement state policies affecting deaf and hard of hearing individuals.
- Provide counseling, job placement, interpreting services, outreach, advocacy and in-service training programs to consumers and their families to enhance their abilities and broaden their opportunities.
- Provide liaison, support, assistance, education and training to primary consumers - deaf and hearing impaired, and to secondary consumers - business, industry, education, health care providers, state, local and federal agencies and to the general public.



RECENT HIGHLIGHTS

- Collaborated with DPUC to add the 711 telephone service for the deaf to Relay CT.
- Advocated for consumer's needs through legislative activities.
- Provided information on current training opportunities to registered interpreters.
- Incorporated new technology to improve quality and efficiency of CDHInfo and other print projects.
- Partnered with the Community Renewal Team Program and Mothers Work Program to provide educational and volunteer opportunities to participants.
- Continued partnership with Department of Public Safety to conduct 911 informational sessions for deaf and hard of hearing individuals.
- Partnered with the Department of Children and Families Social Work Academy in providing training on issues of hearing loss.
- Increased diversity training to University of Connecticut medical students by expanding work opportunities with deaf/hard of hearing and deaf/blind individuals.
- Expanded the agency web site to include all services available to individuals who are deaf and hard of hearing by adding the "Guide to Services for the Deaf."

INITIATIVES FOR FY 2003

- Expand usage of CDHI's collection of instructional and informational interpreting videotapes and books to all interested citizens through the State Library program.
- Provide video conferencing technology to increase accessibility of interpreters.
- Issue registration cards to all registered interpreters for ease in identification by consumers and vendors.
- Identify, credential and increase skills of educational interpreters to increase access and proficiency of services statewide.
- Continue to foster relationships with community to provide services appropriate to consumers needs.
- Work to expand advocacy to individuals with multi-disabilities.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Continue FY 2002 Savings Program

2002-2003

-50,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	11	13	13	0	13
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	584,662	734,962	817,585	-50,000	767,585
Other Expenses	155,652	165,686	165,686	0	165,686
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Part-Time Interpreters	236,733	200,000	200,000	0	200,000
TOTAL - General Fund	978,047	1,101,648	1,184,271	-50,000	1,134,271



CONNECTICUT STATE LIBRARY

AGENCY PURPOSE:

- To provide high-quality library and information services to state government and the citizens of Connecticut.
- To work cooperatively with related agencies and constituent organizations in providing those services.
- To preserve and make accessible the records of Connecticut's history and heritage.
- To promote the development and growth of high quality information services on an equitable basis statewide.
- To provide leadership and cooperative opportunities to the library, educational, and historical communities in order to enhance the value of their individual and collective service missions.
- To develop and promote appropriate legislation and public policy in support of these efforts.

RECENT HIGHLIGHTS:

- Restored Saturday Library hours and opened one evening a week.
- Implemented the Historic Documents Preservation Act and awarded the first round of grants to local municipalities.
- Implemented iCONN.org, the Connecticut Digital Library, in conjunction with the Department of Higher Education as part of the Connecticut Education Network.
- Took occupancy of the new offsite storage facility for archival, library, and museum collections.
- Completed the first phase of installation of compact shelving at the Library for the Blind and Physically Handicapped
- Launched www.greatkidsCT.org, a website for parents and other caregivers in Connecticut.
- Became one of six partners in a national project to develop new tools to preserve electronic public records.

INITIATIVES FOR FY 2003

- Secure continued funding for iCONN, the Connecticut Digital Library.
- Award the second round of grants to local municipalities under the Historic Documents Preservation Fund program.
- Digitize collections to increase access and enhance preservation.
- Resume publication of the *Public Records of the State of Connecticut*.
- Increase public access to Museum and newspaper collections.
- Restore the Library's ability to preserve and maintain the state's most valuable cultural resources and treasures.
- Develop strategic plan for the Museum and Public Records & Archives.
- Enhance the Museum's ability to attract visitors through new and exciting exhibits, educational outreach and special events.
- Complete the move to the new offsite storage facility.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

• Provide Continued Funding for the Digital Library	2002-2003
• Continue FY 2002 Savings Program	618,229
• Adjust the Basic Cultural Grant Account	-346,043
	-145,166

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	98	90	90	0	90
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	5,993,661	6,201,124	6,432,563	0	6,432,563
Other Expenses	910,541	914,215	903,615	0	903,615

Capital Outlay

Equipment	1,000	1,000	1,000	0	1,000
Equipment - Law Department	384,684	0	0	0	0
TOTAL - Capital Outlay	385,684	1,000	1,000	0	1,000

Other Current Expenses

Relocation of State Library Archives	176,643	0	0	0	0
Statewide Digital Library	-21,781	0	0	618,229	618,229
Interlibrary Loan Delivery Service	0	244,000	255,555	0	255,555
Voices of Children - Parent Academy	50,000	50,000	50,000	0	50,000
Library & Educational Materials	453,889	0	0	0	0
Legal/Legislative Library Materials	0	720,644	758,573	-37,929	720,644
Statewide Data Base Program	729,351	721,021	758,969	-37,948	721,021
Impressionist Art Trail	50,000	0	0	0	0
TOTAL - Other Current Expenses	1,438,102	1,735,665	1,823,097	542,352	2,365,449

Pmts to Other Than Govts

Basic Cultural Resources Grant	2,867,020	2,562,979	2,903,311	-340,332	2,562,979
Support Cooperating Library Services Units	799,266	778,971	777,674	0	777,674
Grants-Local Institutions in Humanities	358,080	0	0	0	0
CT Educational Telecommunications Corp	850,000	753,045	753,358	0	753,358
TOTAL - Pmts to Other Than Govts	4,874,366	4,094,995	4,434,343	-340,332	4,094,011

Pmts to Local Governments

Grants to Public Libraries	472,109	447,109	472,109	-25,000	447,109
Connecticard Payments	726,028	676,028	726,028	-50,000	676,028
TOTAL - Pmts to Local Governments	1,198,137	1,123,137	1,198,137	-75,000	1,123,137
TOTAL - General Fund	14,800,491	14,070,136	14,792,755	127,020	14,919,775

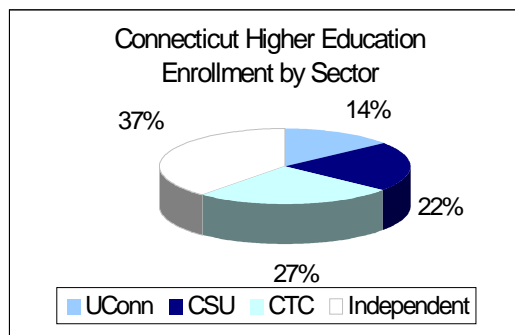


DEPARTMENT OF HIGHER EDUCATION

AGENCY PURPOSE

The primary mission of the Connecticut Department of Higher Education is to provide high quality, relevant educational opportunities at all academic levels which collectively:

- Ensure access for all qualified Connecticut residents both geographically and financially.
- Encourage individual growth and development.
- Meet the workforce needs of the State's economy.
- Are cost-effective.
- Demonstrate unequivocal high performance.



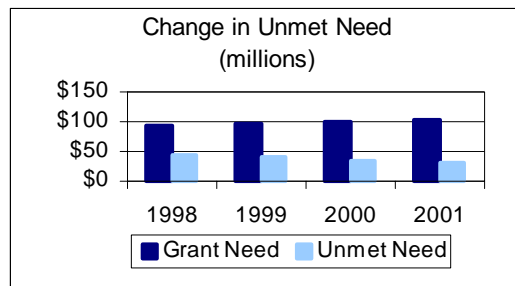
RECENT HIGHLIGHTS

The public system of higher education in Connecticut consists of 18 degree-granting institutions organized into four constituent units: the University of Connecticut, its five regional branch campuses and health center; the Connecticut State University consisting of four regional state universities; the Connecticut Community-Technical College system consisting of twelve community colleges; and Charter Oak State College, the state's only external degree-granting institution. A separate board of trustees governs each of these four constituent units and each unit receives its own appropriation. Twenty-seven independent colleges and universities, the U.S. Coast Guard Academy and numerous private occupational schools also serve Connecticut.

In the fall of 2001, nearly 165,000 students were enrolled in Connecticut's public and independent institutions of higher education. Eleven years earlier, at peak enrollment, Connecticut's public and independent institutions enrolled 169,000 students. In 2001, when higher education enrollment is 2 percent *lower* than a decade ago, degrees conferred are 4 percent *higher*.

Today's higher education system is clearly a more accessible environment for today's students. Over 75 percent of

Connecticut's 29,610 public high school graduates in 2000 have chosen to pursue higher education at 2- and 4-year institutions and, of those, nearly 56 percent stayed in Connecticut where the college experience has become more attractive. Largely as a result of significant increases to state-supported student financial aid, Connecticut has been able to *lower* unmet student grant need by 36 percent over the last three years while the need for grants has grown by 9 percent over the same period.



INITIATIVES FOR FY 2003

- Continue development of and support for the Connecticut Digital Library initiative.
- Manage and promote the GEAR-UP Futures Fund that will provide scholarships to 10,000 at risk middle school children when they attend college.
- Encourage tuition and fee increases that do not exceed projected inflationary changes.
- Make transfers among institutions easier, particularly in critical workforce areas.
- Address teacher shortages in math, science, bilingual education, world languages, and administration through expanded alternate routes to certification.

RECOMMENDED ADJUSTMENTS

Reductions

- Streamline Personal Services and Related Expenses 2002-2003
-35,667
- Adjust Formula for the CT Independent College Student Grant (CICSG) -2,254,547

Technical Adjustments

- Reflect Connecticut Independent College Student Grant Formula Funding -376,327
- Include Funding for the New England Board of Higher Education 369,898
- Continue FY 2002 Savings Program -475,135
- Adjust Awards to Children of Deceased/ Disabled Veterans to Historical Levels -2,000

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	31	31	31	0	31
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	2,211,654	2,212,537	2,374,446	-27,967	2,346,479
Other Expenses	195,705	210,134	210,134	-7,700	202,434
<u>Capital Outlay</u>					
Equipment	1,000	0	1,000	0	1,000
<u>Other Current Expenses</u>					
Statewide Digital Library	997,894	0	0	0	0
Minority Advancement Program	2,374,497	2,656,242	2,656,242	-132,812	2,523,430
Alternate Route to Certification	10,685	27,033	27,033	0	27,033
Student Community Services	14,357	0	0	0	0
National Service Act	330,824	501,312	501,312	-25,066	476,246
International Initiatives	224,999	225,000	350,000	-125,000	225,000
Minority Teacher Incentive Program	461,500	541,500	541,500	-27,075	514,425
Higher Education State Matching Grant Fund	6,392,821	0	0	0	0
TOTAL - Other Current Expenses	10,807,577	3,951,087	4,076,087	-309,953	3,766,134
<u>Pmts to Other Than Govts</u>					
Loan Reimbursement/Scholarship	683,206	0	0	0	0
Capitol Scholarship Program	5,317,010	5,144,423	5,415,182	-165,182	5,250,000
Awards Children Deceased/Disabled Vets	3,600	6,000	6,000	-2,000	4,000
CT Independent College Student Grant	18,776,929	18,776,929	18,776,929	-2,630,874	16,146,055
CT Aid for Public College Students	19,759,261	19,759,261	19,759,261	0	19,759,261
New England Board of Higher Education	387,574	387,574	0	369,898	369,898
TOTAL - Pmts to Other Than Govts	44,927,580	44,074,187	43,957,372	-2,428,158	41,529,214
TOTAL - General Fund	58,143,516	50,447,945	50,619,039	-2,773,778	47,845,261



UNIVERSITY OF CONNECTICUT

AGENCY PURPOSE

- Founded in 1881, serves as the flagship for higher education.
- Meets the educational needs of undergraduate, graduate, professional, and continuing education students through the integration of teaching, research and service.
- Serves the state and its citizens by providing services that enhance the quality of life and the economic well-being of Connecticut.

RECENT HIGHLIGHTS

- Continued progress on UCONN 2000 and related programs, enhanced the undergraduate experience, building a true multicultural community, strengthened the role of the regional campuses, supported CT's economy, education, health care and quality of life, achievements in research and creative endeavors, and initiated the "Campaign for UConn."



- A few of the University's strategic investment priorities include the Center for Regenerative Biology, Fuel Cell Research, Comparative Human Rights, E-Commerce, Information Technology, Entrepreneurship, Neag School Initiatives and Research Animal Care.

Student Achievement:

- 88% of recent graduates would recommend UConn to others.
- 95% of recent graduates are employed or in graduate/professional school.
- 73% of those working full-time are doing so in Connecticut.
- 92,000 of the 140,000+ Alumni live in Connecticut.

Degrees:

- 2000-01 -- Total 4,686
- Bachelor's -- 2,837
- Master's -- 1,213
- Professional -- 580
- 6-Yr Education -- 39
- 2-Yr Agriculture -- 17

INITIATIVES FOR FY 2003

The key goal of this budget is to accommodate the phenomenal growth that has occurred over the past few years while continuing the University's progress into the top ranks of public higher education. Initiatives include the following:

- Increase access
- Enhance quality
- Support diversity
- Improve research and development infrastructure
- Build the stable financial base necessary to meet growing demands

The University of Connecticut continues to strive to meet the following strategic goals to build on our foundation of existing strength:

- A school of choice

- Diverse, accessible and affordable
- A nationally recognized Institution of Higher Education
- A wise investment
- A partner to the State of Connecticut
- A new capital investment program "21st Century UCONN" will begin in state fiscal year 2005, with an additional \$1.3 billion in state capital funding expected. This new program will include the University of Connecticut Health Center.

RECOMMENDED ADJUSTMENTS

Reductions

- Modify Block Grant

2002-2003

-1,973,718

Technical Adjustments

- Continue FY 2002 Savings Program

-3,116,846

AGENCY SUMMARY

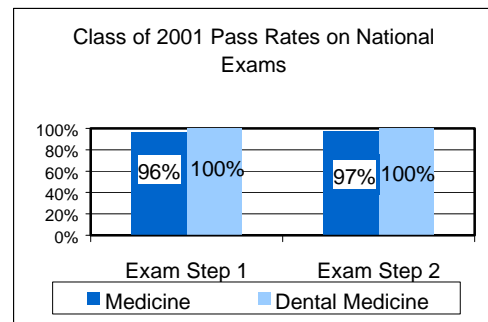
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
Personnel Summary	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	2,580	2,599	2,632	0	2,632
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
Financial Summary	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Other Current Expenses</u>					
Operating Expenses	171,528,749	177,533,914	192,168,592	-4,881,064	187,287,528
Tuition Freeze	4,991,458	4,991,458	4,991,458	0	4,991,458
Regional Campus Enhancement	2,500,000	3,790,500	6,700,000	-209,500	6,490,500
Education Technology - Teacher Prep	150,000	0	0	0	0
TOTAL - Other Current Expenses	179,170,207	186,315,872	203,860,050	-5,090,564	198,769,486
TOTAL - General Fund	179,170,207	186,315,872	203,860,050	-5,090,564	198,769,486



UNIVERSITY OF CONNECTICUT HEALTH CENTER

AGENCY PURPOSE

- To provide educational opportunities for individuals pursuing careers in medical and dental care professions, education, public health, biomedical, and behavioral sciences and to help health care professionals maintain their competency through continuing education programs.
- To advance knowledge through basic science, biomedical, clinical, behavioral, and social research.
- To deliver health care services effectively and efficiently, applying the latest advances in research.
- To deliver health care and prevention services to underserved children and adults.
- To further Connecticut's economic development through the translation of research into new technologies, products and jobs.



RECENT HIGHLIGHTS

- In July 2001, U.S. News & World Report named the Health Center's John Dempsey Hospital one of America's Best 50 Hospitals for geriatric services.
- The School of Dental Medicine ranked first among the country's 55 dental schools on national examinations in 2001.
- In May 2001, John Dempsey Hospital was awarded two prestigious Connecticut Quality Improvement Awards; a gold award for the hospital's Cardiac Care Step Down Unit and a silver award for a customer advocacy initiative.

INITIATIVES FOR FY 2003

- The University of Connecticut Health Center is currently implementing its Integrated Strategic Plan. This Strategic Plan, which is designed to capitalize on the Health Center education and research strengths, sets the course for where the Health Center will be investing its resources.
- The Strategic Plan describes the education and research initiatives over the next five years, and provides the framework for four new Signature Programs which connect our basic research, translational research and clinical programs. These Signature Programs are Connecticut Health, Brain and Human Behavior, Cancer and Musculoskeletal.
- A new capital investment program "21st Century UCONN" will begin in state fiscal year 2005, with an additional \$1.3 billion in state capital funding expected. This new program will include the University of Connecticut Health Center.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Continue FY 2002 Savings Program

2002-2003

-1,000,876

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	998	998	998	0	998
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Other Current Expenses</u>					
Operating Expenses	72,057,713	72,826,543	76,134,980	-1,000,876	75,134,104
AHEC for Bridgeport	150,000	152,760	155,707	0	155,707
Deficit Reduction	20,000,000	0	0	0	0
TOTAL - Other Current Expenses	92,207,713	72,979,303	76,290,687	-1,000,876	75,289,811
TOTAL - General Fund	92,207,713	72,979,303	76,290,687	-1,000,876	75,289,811



CHARTER OAK STATE COLLEGE

AGENCY PURPOSE

Charter Oak State College

- Extend access to higher education to adults through its associate and baccalaureate degree programs which incorporate transfer credit, Charter Oak distance learning courses, testing, and other methods of competency validation.
- Encourage innovation in higher education to meet the needs of adult learners.

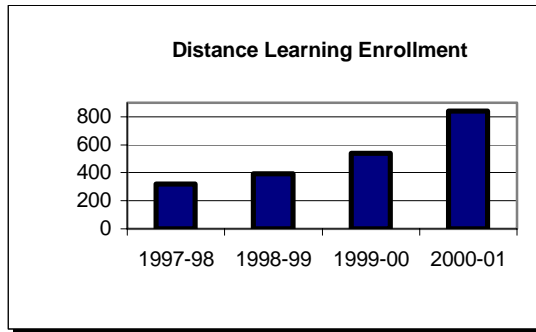
Connecticut Distance Learning Consortium

- Provide a single point of presence for distance learning—including collaboration in marketing, assessment, faculty training, and financial aid—and reduce the need for separate infrastructures, course designers, faculty trainers and marketing budgets.

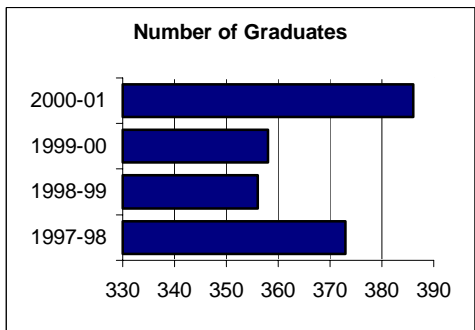
RECENT HIGHLIGHTS

Charter Oak State College

- Increased the number of students taking Charter Oak State College distance learning courses.



- Implemented the grant-supported Women in Transition program, enabling 25 single mothers in low-income jobs to earn their degrees.
- Increased the Student Financial Aid program from 186 applications and 99 awards for SFY '01 to 200 applications and 103 awards during only the first half of 2001-02.
- Expanded corporate partnerships to enable working adults to complete college degrees.
- Graduated the largest class (2000-01) in the College's history.

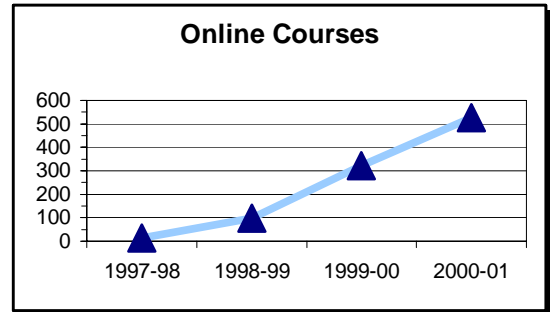


- Offered non-degree courses to meet nursing shortage needs.
- Implemented a new student information system to improve access to data and the availability of information for making decisions.

- Developed new student services, including online chats and access to the Connecticut Virtual Library, to connect distance learners with academic information and guidance.

The Connecticut Distance Learning Consortium

- Increased by 63 percent the number of member online courses over the previous academic year.



- Marketed 527 member online courses in the state, nationally and internationally to produce 8735 enrollments.
- Increased the number of Connecticut's online degree programs to 13 in 2000-01 and 23 in 2002-02.
- Awarded funds for the development of 11 online certificates specifically directed toward re-educating Connecticut's workforce.
- Provided cost effective infrastructure solutions including centralized course hosting and help desk support for 70 percent of Connecticut's online colleges and universities.
- Developed an e-commerce system to provide the option of online registration.
- Completed technology integration projects using online materials in actual classrooms in the State Vocational Technical Schools, Bristol (3 high schools) and New Milford (junior high school).
- Trained 200 K-12 teachers in over 60 school districts in the development of online learning units that meet State Department of Education curriculum standards. Over 150 completed learning units are available from www.ctdlc.org.
- Expanded K-12 faculty development initiatives to include CT TALENT, a collaborative higher education program with five projects under way.

INITIATIVES FOR FY 2003

Charter Oak State College

- Expand workforce development through corporate partnerships and customized courses to meet labor needs.
- Increase access and service through support of growing financial aid program.
- Secure ongoing support for Women in Transition program.
- Continue development of distance learning courses.
- Complete planning process to establish future direction for the College.

The Connecticut Distance Learning Consortium

- Continue expansion of Connecticut's distance learning offerings.
- Improve technical services to Connecticut's educational community by extending the online registration and payment system and adding a third Learning Management System.
- Expand student services to include program outcomes assessment, career counseling and online tutoring.
- Collaborate with the Office of Workforce Competitiveness to increase education and use industry partnerships to prepare workers through the use of online learning.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Continue Growth in Distance Learning Consortium
- Continue FY 2002 Savings Program

2002-2003

500,000

-93,652

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	24	24	24	0	24
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Other Current Expenses</u>					
Operating Expenses	1,258,230	1,339,398	1,400,825	-40,000	1,360,825
Distance Learning Consortium	1,685,543	482,862	578,438	446,348	1,024,786
Ed Tech - On-line Teacher Initiatives	800,000	0	0	0	0
TOTAL - Other Current Expenses	3,743,773	1,822,260	1,979,263	406,348	2,385,611
TOTAL - General Fund	3,743,773	1,822,260	1,979,263	406,348	2,385,611



TEACHERS' RETIREMENT BOARD

AGENCY PURPOSE

- To administer the pension, retiree health and disability benefits covering Connecticut's retired public school teachers.
- To develop policies and regulations that determine the amount and payment of retirees' benefits.
- To communicate all changes and information regarding these benefits.

RECENT HIGHLIGHTS

- Implemented a new Managed Membership System to effectively automate the acquisition and retention of data for active members of the system.
- Initiated a Health Benefit Plan for retired members with optional dental plan benefits or optional dental, vision and hearing plan benefits.
- Improved on-line access to information for members through the Internet.

INITIATIVES FOR FY 2003

- Customize and implement a Benefits Payment Module (BPM) to support the payment of retirement, disability, survivor, death, refund and health benefits.
- Automate the collection of monthly town deposits via electronic deposit.
- Institute plan design changes in the TRB-sponsored health benefits plan.
- Propose legislation to simplify and streamline the purchase of additional credited service.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	2002-2003
• Reduce Retirees Health Service Cost Due to Lower than Anticipated Enrollment	-450,000
• Reduce Municipal Retiree Health Insurance Costs Due to Lower than Anticipated Enrollment	-350,000

AGENCY SUMMARY

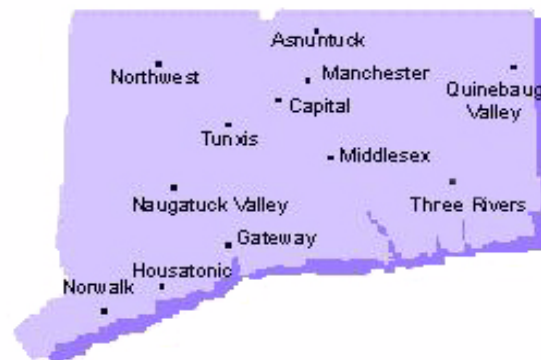
Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	29	30	30	0	30
<u>Financial Summary</u>					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	1,384,564	1,603,647	1,679,755	0	1,679,755
Other Expenses	659,751	736,415	762,046	0	762,046
<u>Capital Outlay</u>					
Equipment	1,000	1,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Computer Software	501,112	0	0	0	0
Year 2000 Conversion	9,718	0	0	0	0
TOTAL - Other Current Expenses	510,830	0	0	0	0
<u>Pmts to Other Than Govts</u>					
Retirement Contributions	214,665,698	204,511,460	214,737,033	0	214,737,033
Retirees Health Service Cost	4,986,077	6,191,800	7,187,896	-450,000	6,737,896
Municipal Retiree Health Ins Costs	4,454,670	5,280,000	5,649,600	-350,000	5,299,600
TOTAL - Pmts to Other Than Govts	224,106,445	215,983,260	227,574,529	-800,000	226,774,529
TOTAL - General Fund	226,662,590	218,324,322	230,017,330	-800,000	229,217,330



COMMUNITY-TECHNICAL COLLEGE SYSTEM

AGENCY PURPOSE

- The twelve community colleges and their outreach programs serve nearly 50 percent of the undergraduates in Connecticut public higher education with more than 42,600 students enrolled in credit courses in the fall 2001.
- The community colleges provide associate degrees and certificate programs in a wide array of occupational, vocational, technical programs in over 100 career-related areas. In addition, in September 2001, the college reported 7,100 students and 10,200 registrations in noncredit courses for job preparation, career advancement, or retraining as well as in skill-building personal interest courses. In many cases, these courses are sponsored by the state's businesses and industries to enhance employee skills.
- The community colleges also provide programs of general study including remediation, general and adult education, and continuing education.



RECENT HIGHLIGHTS

- An estimated 12,000 students participated in financial aid programs that grew to a funding level of approximately \$31 million in grants, loans, waivers, and work-study, \$15 million of which were from federal funds.
- Raised \$1.3 million in endowment fund gifts.
- Received \$700,000 in highly competitive National Science Foundation grants to advance technology studies and offer scholarships for students pursuing degrees in computer science, engineering, and mathematics.
- The system is the largest provider of on-line programming through the Connecticut Distance Learning Consortium. Community college faculties have authored more than 159 courses and on-line enrollments totaled 1,281 in the spring 2001. The system offers on-line degrees in Computer Information Systems and in General Studies.
- Implementation of the Endeavor/Voyager library information system (the Libris system) and participation in Connecticut's Digital Library have expanded access to library resources on-line and on-campus for faculty, staff and the community at-large.
- The Access to Opportunity program that targets high-risk, high-potential students for college enrollment and work-related experience was expanded to three more colleges, bringing the total to six colleges.
- The system developed stronger partnerships to address worker shortages in critical areas with businesses and state agencies, including CBIA, DECD, OWC, and the Vocational-Technical Schools.

INITIATIVES FOR FY 2003

- Enhance workforce development efforts to produce workers, expand partnerships and employer outreach, invest in faculty and staff to remain current in their fields, focus on the state's industry clusters, and seek funds for short-term training requests from employers.
- Implement a statewide communications plan and expand outreach to populations served.
- Further open education and career pathways through articulation agreements with secondary school and college partners to offer students a seamless transfer system.
- Improve the structure and positioning of the colleges to compete for outside sources of funding.
- Merge the administrative structures for the Community-Technical Colleges and the Connecticut State University .

RECOMMENDED ADJUSTMENTS

Reductions

- | | |
|---|------------------|
| • Modify Block Grant | 2002-2003 |
| • Merge the Central Offices of the C-TC's and CSU | -2,856,161 |
| | -2,527,617 |

Technical Adjustments

- | | |
|------------------------------------|------------|
| • Occupancy of New Facilities | 2,090,273 |
| • Continue FY 2002 Savings Program | -1,694,500 |

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	1,740	1,740	1,740	39	1,779
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Other Current Expenses</u>					
Operating Expenses	113,386,810	119,272,160	129,270,333	-5,504,298	123,766,035
Tuition Freeze	2,199,964	2,236,923	2,274,658	0	2,274,658
Woodland Street Operating Expenses	0	0	0	516,293	516,293
TOTAL - Other Current Expenses	115,586,774	121,509,083	131,544,991	-4,988,005	126,556,986
TOTAL - General Fund	115,586,774	121,509,083	131,544,991	-4,988,005	126,556,986



AGENCY PURPOSE - DEVELOPING A STATE OF MINDS

The four comprehensive universities of the CSU System are: Central Connecticut State University, Eastern Connecticut State University, Southern Connecticut State University, and Western Connecticut State University.

CSU provides affordable and high quality, active learning opportunities, which are geographically and technologically accessible. A CSU education leads to baccalaureate, graduate and professional degrees. Important facts about CSU include:

- 92% of CSU students are Connecticut residents.
- Over 90% of graduating students are either satisfied or very satisfied with the education obtained at CSU.
- CSU enrolls the largest share (35%) of all Connecticut residents who are full-time undergraduates in the state.

RECENT HIGHLIGHTS

- CSU's full time enrollment now exceeds the largest number of students ever previously enrolled; this trend is expected to continue for the next decade, as referred to in the Initiatives for FY2003, below. At the same time, higher education has had to remake itself in order to respond to Information Age demands. The CSU universities have restructured their curricula and undertaken a performance assessment program to ensure that our graduates meet the needs of the marketplace for competencies in high-demand areas.
- *OnlineCSU* has presented 300 courses to more than 4,000 students from 50 states and 15 countries. More than 83 CSU faculty from all four CSU universities delivered online courses during the summer, fall, winter, and spring semesters. In addition to single course selections, *OnlineCSU* offers Southern's Master of Library Science (MLS) as a fully online degree, attracting students from 17 states. The MLS program's burgeoning enrollment has encouraged other online degree programs. At present, additional master-level programs in educational technology (Eastern), data mining (Central) and accounting (Eastern) are in the approval process at the state and local levels. A certificate program in data mining is also under consideration.
- Central Connecticut State University was one of just 16 colleges and universities nationwide recognized for its "visionary campus-wide innovations" by the Association of American Colleges and Universities. The association said Central and the others were characterized by extensive innovations in their curriculum, pedagogy and organizational structure. The common theme was that the campus culture supports undergraduates both within and outside the classroom. Others recognized along with Central included Duke, Colgate and the U.S. Air Force Academy.
- CSU continues to train the largest number of teachers in Connecticut. Of the individuals who passed the teacher certification exams in 2000 in Connecticut, the majority (55%) were CSU graduates. CSU universities are especially focused on recruiting students of color to become teachers, and have launched several innovative programs with that objective. Our goal is to expand these programs, which will enhance opportunities for minority students to enter the teaching profession.
- CSU has secured authority from the General Assembly to offer doctorates in education for a five-year period. Central, Southern, and Western will begin offering Ed.D. programs once approval is secured from the Department of Higher Education.
- Efforts in Washington have resulted in a congressional earmark of \$2 million to provide additional technology for the Child and Family Center at Eastern, and in legislation, which made Western eligible for additional financial aid for students in its information security program.
- Eastern is seeking approval for a new master's degree in educational technology to be delivered on-ground and online and a new master's degree in accounting online. ECSU offered its organizational management program in Waterford and two management enterprise programs were developed for the W.W. Backus Hospital and the Mashantucket Pequot Academy respectively. ECSU began offering an Associate Degree in BioScience and an e-Business Certificate Program was offered during the spring 2001 semester. The U.S. Department of Labor awarded ECSU with a \$2 million grant to develop a training program for clinical data managers.
- SCSU has received licensure and accreditation to offer two new programs: a collaborative venture between the Departments of Education and Special Education to prepare all teachers for inclusion of special students in their classroom and an MS in Computer Science that will begin to address the shortage of computer professionals.



INITIATIVES FOR FY 2003

- Continue to refine the assessment of learning outcomes and the measurement of demonstrated competencies in selected majors.
- Continue to explore ways to improve service and reduce costs through opportunities for process improvement, investing in personnel and technology, benchmarking, and the sharing of best practices both from within CSU and elsewhere.
- Continue to expand course offerings and degree programs available through *OnlineCSU*.
- Create additional programming to enhance retention rates and graduation rates, as well as learning outcomes.
- Implement a series of strategic initiatives in workforce development to provide educational opportunities to benefit both CSU students and employers within the State of Connecticut, including programs in Informatics, eCommerce, Information Technology and Computer Science, Bioscience, Manufacturing/Electrical Engineering, and Energy Science and Technology.
- Expand programs at the four CSU universities designed to encourage minority students to enter the teaching profession.
- Secure approval of the Board of Governors for Higher Education to offer all proposed Ed.D. programs, and implement the initial offering of these programs.
- Merge the administrative structures for Connecticut State University and the Community-Technical systems.

RECOMMENDED ADJUSTMENTS

Reductions

- Modify Block Grant **2002-2003**
-944,648

Technical Adjustments

- Provide Funding for New Facilities Coming On Line in FY2002-03 28,545
- Continue FY 2002 Savings Program -1,909,426

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Permanent Full-Time Positions					
General Fund	2,369	2,369	2,369	0	2,369
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Other Current Expenses					
Operating Expenses	122,668,927	128,155,361	138,491,264	-2,788,202	135,703,062
Tuition Freeze	6,491,229	6,693,755	6,904,180	0	6,904,180
Waterbury-based Degree Program	405,000	675,356	861,704	-37,327	824,377
Education Technology -Teacher Prep	150,000	0	0	0	0
Year 2000 Conversion	841,235	0	0	0	0
TOTAL - Other Current Expenses	130,556,391	135,524,472	146,257,148	-2,825,529	143,431,619
TOTAL - General Fund	130,556,391	135,524,472	146,257,148	-2,825,529	143,431,619



DEPARTMENT OF CORRECTION

AGENCY PURPOSE

The Connecticut Department of Correction (DOC) exists to protect the public, protect staff and ensure a secure, safe and

humane environment in a climate that promotes professionalism, respect, integrity, dignity and excellence.

RECENT HIGHLIGHTS

- In May 2001, the Ward A. Garner Correctional Facility received national recognition from the Commission on Correctional Health Care and from the American Psychiatric Association for their Intensive Mental Health Program.
- The National Institute of Justice commended the department for its accomplishments in providing in-depth stress management training to staff and their families. This accomplishment is provided through the FOCUS (Families, Officers, and Corrections Understanding Stress) program which is funded through a federal grant.
- The Department was awarded a grant to fund "job link centers" designed to assist inmates upon release with a Department of Labor database for access to employment opportunities.
- The Janet S. York Correctional Facility established a youth mentoring program for female offenders under the age of 21, participation in this program will provide

meaningful life skills to build and validate respectful and dependable relationships.

- The American Correctional Association, at the 131st Congress of Correction Conference, adopted the Connecticut Department of Correction K-9 Unit guidelines as the national standard for professional K-9 Teams.

When comparing FY 1994 with FY 2001, the department continues to make strides in reducing offender related statistics:

- Escapes are down 94%.
- Inmate-on-staff assaults have dropped 51%.
- Inmate-on-inmate assaults have declined 43%.
- Furlough violations have plunged 99%.
- Offender disciplinary infractions are down 42%.

INITIATIVES FOR FY 2003

- As the forecasted trends continue to increase for our high security population, expansion of secure capacity in the form of celled units will be further explored.
- Infrastructure upgrades will occur at select facility locations to increase overall efficiency with staffing and resources.
- The Education Unit, Unified School District 1 will continue its expansion of parenting, family literacy and Read to Your Child Programs to all facilities.
- The Addiction Services Unit will further enhance its referral system with municipal agencies, Department of Correction, and other state funded and private sector agencies.
- Within available appropriations, the Community Enforcement Unit will increase the number of residential program beds for offenders that are suitable for community release.
- The Maloney Center for Training and Staff Development will further develop its curriculum to offer training opportunities for other state agencies requiring management, entry level and specialized course instruction.
- The department will work closely within the criminal justice network to develop and implement a Community Justice Center model designed to provide stipulated programming, pre-release alternatives, community linkages and follow-up treatment services for offenders. This model will also serve as an incremental sanctions option for minor technical violations when criminal charges are not prevalent.

RECOMMENDED ADJUSTMENTS

Reductions

- Reduce Use of Leased Motor Vehicles 2002-2003
-200,000
- Revise Inmate Pay Plan -1,000,000

Technical Adjustments

- Adjust for Suffield 600 Bed Expansion and Increasing Inmate Population 4,499,170
 Net funding is provided for expansion at MacDougall CI in Suffield (to open March, 2003) and population adjustments: 142 positions and \$3,342,695 for staff phase-in and a \$366,288 adjustment in Workers' Compensation Claims; \$121,000 for facility equipment; and net direct facility and inmate expenses of \$315,894 for Other Expenses and \$353,293 for Inmate Medical Services. Inmate population is projected at 18,348 by 6/30/02 and 18,902 by 6/30/03.
- Reallocate Funding for Private Provider COLAs 234,084

Budget Summary

- Continue FY 2002 Savings Program - Aid to Paroled and Discharged Inmates -2,500
- Continue FY 2002 Savings Program - Community Residential Services -226,347
- Reduce Personal Services Expenditures - Facility Consolidations -269,000
Adjust for administrative efficiencies achieved through consolidation of the Corrigan/Radgowski and MacDougall/Walker correctional facilities.
- Adjust Workers' Compensation Claims Account 1,887,225
- Restore Energy Funding 1,201,855

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	6,901	6,940	6,940	142	7,082
Financial Summary					
	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net	Revised
				Adjustments	Recommended
Personal Services	310,461,327	336,693,507	348,787,502	3,073,695	351,861,197
Other Expenses	65,855,727	69,606,828	68,651,710	317,749	68,969,459
<u>Capital Outlay</u>					
Equipment	315,982	289,246	99,604	121,000	220,604
<u>Other Current Expenses</u>					
Out of State Beds	11,223,774	11,978,289	12,305,406	0	12,305,406
Community Justice Center	0	0	5,000,000	0	5,000,000
Stress Management	32,618	100,000	0	0	0
Workers' Compensation Claims	19,574,931	16,447,032	16,339,142	2,253,513	18,592,655
Inmate Medical Services	68,330,423	70,804,254	74,966,615	353,293	75,319,908
TOTAL - Other Current Expenses	99,161,746	99,329,575	108,611,163	2,606,806	111,217,969
<u>Pmts to Other Than Govts</u>					
Aid to Paroled and Discharged Inmates	8,750	47,500	50,000	-2,500	47,500
Legal Services to Prisoners	780,300	780,300	780,300	0	780,300
Volunteer Services	192,620	192,620	192,620	0	192,620
Community Residential Services	15,803,392	16,670,289	17,579,180	-9,478	17,569,702
Community Non-Residential Services	1,371,475	1,392,044	1,395,451	17,215	1,412,666
TOTAL - Pmts to Other Than Govts	18,156,537	19,082,753	19,997,551	5,237	20,002,788
TOTAL - General Fund	493,951,319	525,001,909	546,147,530	6,124,487	552,272,017



BOARD OF PARDONS

AGENCY PURPOSE

- To provide jurisdiction over the granting of commutations of punishment or release, either with conditions or absolute, in the case of any person convicted of any offense against the state other than motor vehicle.
- To decide whether to commute the sentence of a person sentenced to death to a lesser penalty.
- To consider pardons based on mercy reviewing the nature of the offense, time since the occurrence, the person's behavior since the offense, lack of criminal record since the offense and any other pertinent information.
- The Board of Pardons consists of five members nominated by the Governor with the consent of the General Assembly.

AGENCY SUMMARY

	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Financial Summary					
Other Expenses	29,153	34,141	34,141	0	34,141
<u>Capital Outlay</u>					
Equipment	0	100	100	0	100
TOTAL - General Fund	29,153	34,241	34,241	0	34,241



BOARD OF PAROLE

AGENCY PURPOSE

To protect the public:

- By releasing only those offenders who will likely live and remain at liberty without violating the law.
- By releasing prisoners only under those conditions which will maximize their chances of achieving non-criminal lives.
- By returning to prison any parolee who fails to comply with the conditions of parole or poses a danger to the community.
- By sharing and exchanging information with all areas of the criminal justice system in order to ensure that responsible decisions are made and the welfare of society is protected.

RECENT HIGHLIGHTS

- Video Conferencing: Established video conferencing in our New Haven District and Central Office. This provides real-time two-way video and audio communication between the Board of Parole and the Correctional Facility. It has promoted efficiency and enables victims to more fully participate in the parole hearing process in a less intimidating environment.
- Young Offenders Program: Specialized program established in our New Haven District Office to address younger parolees between the ages of 18 and 25, who are most at risk to re-offend.
- Zero Tolerance Program: Established in our New Haven District Office to monitor parolees who have had a history of substance abuse. It is a six-month program and random tests are performed. In calendar year 2000, 4,777 tests were administered and only 45, less than 1 percent, were positive.
- Parole Works Program: Requires parolees to obtain employment or participate in community service. The program has achieved and maintained a 90% employment rate.
- Training Manual: Developed by the agency to outline the requirements for Parole Officer certification and re-certification and other staff training opportunities.
- Time Management Study: Conducted by Mr. Peter Hoffman, Ph. D., under the auspices of the National Institute of Corrections for the Field and Hearings Divisions, entitled "Workload Measurement Study". Studied the relationship between the frequency of task performance, agency policy and the size of Parole Officers'

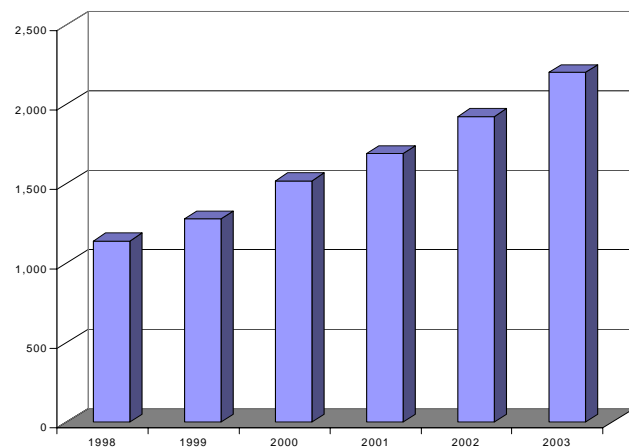
To give victims a voice:

- By ensuring victims are notified of pending hearings and are advised of their rights and options within the parole process.
- By ensuring that concerns of crime victims are heard and given due consideration.

caseloads. According to Dr. Hoffman's findings, the maximum size for a non-intensive caseload should be 55 parolees. For intensive caseloads, the appropriate size should be 25 parolees to one Parole Officer.

- Parole Population: The parole population has increased significantly, at the average rate of 14% per year over the past 3 fiscal years. The numbers for fiscal years 2002-2003 represent a projection.

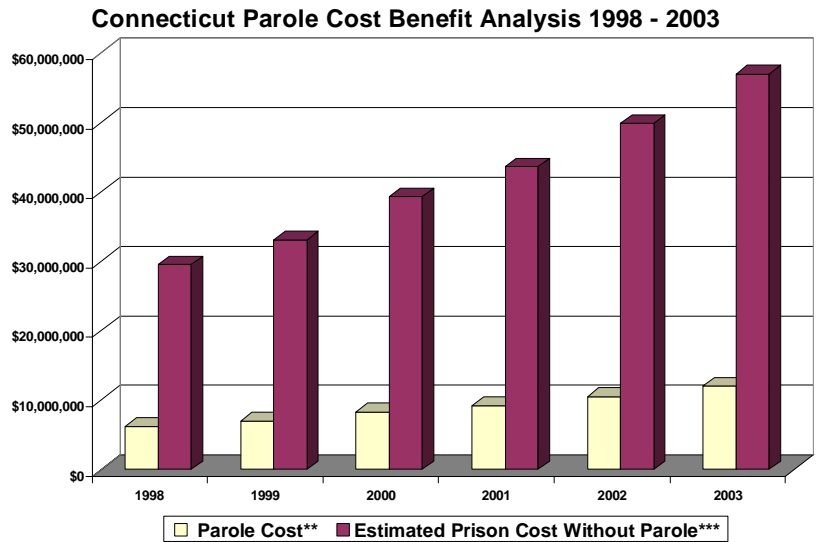
Growth in the # of Parolees



INITIATIVES FOR FY 2003

- Automated Casenotes – The Board of Parole expects to achieve the sharing, modification and dissemination of information by fully implementing the automated casenotes system by fiscal year 2003.
- Streaming of Operations – The Board of Parole, through the association of other paroling authorities, will continue being proactive by updating and modifying its operations to ensure that it maintains its status as a leader. One planned area is a complete audit of the Hearings Division with the goal of revising and establishing policies, procedures and all internal documentation.
- Innovative Programs – The Board of Parole will continue to explore current factors and trends to recognize specific populations that may require additional and/or specific services (e.g. youth, elderly, female) and continue to modify its operations and resources to meet these needs.

- Caseload Management – Transfer 3 fugitive team members to regular parole caseloads in order to sustain manageable caseloads, consistent with public safety needs.
- Cost effective Supervision – The Board of Parole will continue growth of cost-effective supervision, while sustaining public safety goals. **The average cost to keep a person on parole is \$15 per day, compared to \$71 per day to keep a person incarcerated. This represents savings of 79%.** The graph below illustrates this.



RECOMMENDED ADJUSTMENTS

Technical Adjustments

2002-2003

- Reallocate Funding for Private Provider COLAs 44,417
 - Add Three Parole Officers to Maintain Acceptable Caseload Ratios 415,795
- Funding is provided for 3 Parole Officer II positions, a part-time clerical, Residential and Non-Residential Services, and other associated expenses. Due to a recent court ruling, 125 additional inmates are expected to be released on parole and the savings achieved in DOC from the release of these prisoners will offset the costs for this adjustment.

AGENCY SUMMARY

Personnel Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Authorized	Estimated	Appropriated	Net Adjustments	Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	83	83	83	3	86
Financial Summary	2000-2001	2001-2002	2002-2003	2002-2003	2002-2003
	Actual	Estimated	Appropriated	Net Adjustments	Revised Recommended
Personal Services	4,260,545	4,881,403	5,130,878	200,420	5,331,298
Other Expenses	1,067,978	1,241,729	1,247,829	105,450	1,353,279
<u>Capital Outlay</u>					
Equipment	49,042	17,400	16,609	8,300	24,909
<u>Pmts to Other Than Govts</u>					
Community Residential Services	1,803,290	1,866,406	1,872,437	84,325	1,956,762
Community Non-Residential Services	1,868,069	1,867,376	1,970,808	61,717	2,032,525
TOTAL - Pmts to Other Than Govts	3,671,359	3,733,782	3,843,245	146,042	3,989,287
TOTAL - General Fund	9,048,924	9,874,314	10,238,561	460,212	10,698,773



DEPARTMENT OF CHILDREN AND FAMILIES

AGENCY PURPOSE

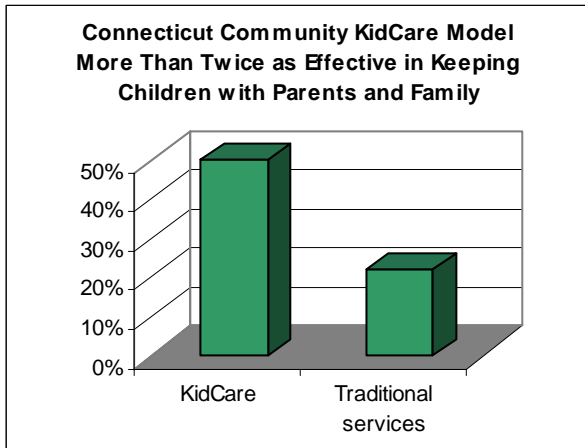
The Department of Children and Families (DCF) is a comprehensive agency serving children and families. The mandates of the agency include child protection, children's behavioral health, juvenile justice, prevention and educational services. The goals of DCF are promoting children's safety, permanency and well-being. The agency strives to help children in their homes and communities, and, where that is not possible, in the most home-like and least restrictive setting possible. In meeting these mandates, the Department's activities include:

- Building and restoring the vital connections between children, families and communities. Strengthening families so that children can safely remain at home.
- Protecting the safety of children. Helping foster parents and other substitute caregivers provide a temporary home when children cannot reside at home.

- Achieving permanency for children through adoption, subsidized guardianship, or other appropriate alternatives when their families can not provide permanent care and safety.
- Promoting the well-being of children and youth through behavioral health services. Provide mental health, substance abuse and other services so abused and neglected children can lead full and productive lives.
- Meeting the multiple needs of children in the juvenile justice system. Identify and effectively respond to youth's health, mental health and related behavioral problems throughout the course of confinement through the use of professionally appropriate diagnostic, treatment and prevention protocols.
- Promoting positive development in children, youth, families and communities as part of the agency's prevention efforts.

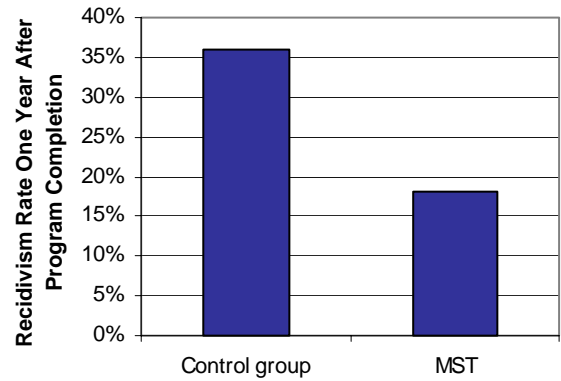
RECENT HIGHLIGHTS

- The community based behavioral health program that is the model for Connecticut Community KidCare proved more than twice as effective than traditional treatments in maintaining children in their homes and preventing residential or hospital placements. Fifty percent of children in the demonstration project were living with parents or family 12 months after receiving service compared to 22% of children in the traditional program.



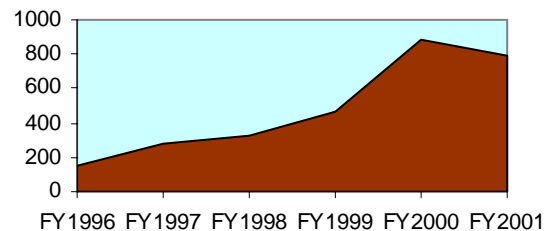
- Recidivism rates fell 50 percent for delinquent youth receiving Multi-Systemic Therapy (MST), an in-home, family counseling program that targets problems within the family, school and peer groups. An independent study shows the 50 percent reduction both six months and 12 months after completing the program. The Department is joining MST with an innovative jobs program to form the new community reintegration program designed to help provide youth with the tools they need to succeed in the community after being released from a residential juvenile justice program or a state secure facility.

Family Counseling Program Cut Recidivism 50%

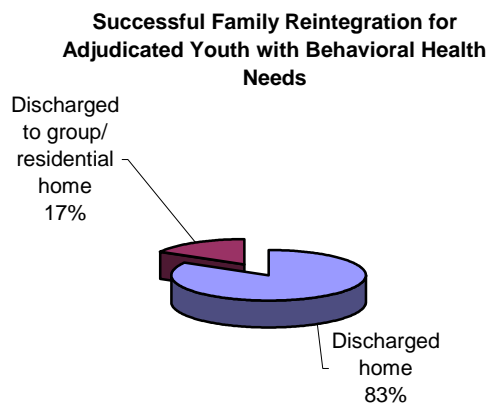


- A sustained focus on finding permanent homes for children in need resulted in dramatic improvements. The Department also established a new type of permanent home enabling family members to adopt children without the termination of parental rights. Since 1996, the total number of permanent homes grew 445 percent.

Permanent Homes Increase 445%



- 83 percent of children discharged from the Riverview Hospital unit that provides psychiatric care for adjudicated delinquents returned home during the fourth quarter of FY2001.



INITIATIVES FOR FY 2003

- Proceed with the development and implementation of Connecticut Community KidCare. KidCare will expand community-based services and improve coordination and access to a broad continuum of behavioral health services for children within their own communities.
- Complete the transition from the Long Lane School to the new Connecticut Juvenile Training School and develop a separate facility for girls.
- Integrate the family counseling program called Multi-Systemic Therapy and new job programs for youth in the juvenile justice system into a comprehensive community reintegration program. Introduce these community based services to youth as they enter the Connecticut Juvenile Training School to enhance the success of these youth when they return to their communities.
- Continue to address and implement the child safety and permanency provisions of the Federal Adoption and Safe Families Act.
- Improve staff management and casework through a variety of data system enhancements needed to meet federal, court and agency-critical standards.
- Engage in negotiations with the Plaintiffs and Court Appointed Monitor to initiate an Exit Plan to the Juan F. Consent Decree.

RECOMMENDED ADJUSTMENTS

Reductions	2002-2003
<ul style="list-style-type: none"> Reallocate Funding to Community Services from Residential Care \$6.4 million is transferred from the Board and Care-Residential account to purchase \$3.2 million in additional flexible services in the community and to fund \$3.2 million in additional Therapeutic Foster Care beds. These increases in Community Programs are anticipated to save an additional \$3 million in the Board and Care-Residential account. 	-3,000,000
<ul style="list-style-type: none"> Reduce Lower Priority Contractual Services The completion of the Training School eliminates the need for an engineering oversight contract. The development of Foster Care Clinics eliminates the need for Clinic and Pediatric consultants. 	-123,551
<ul style="list-style-type: none"> Re-Estimate Current Accounts Reduce Personal Services by \$500,000 due to re-estimate of expenditures and reduce Community KidCare by \$100,000 support for actuarial studies. 	-600,000
<ul style="list-style-type: none"> Eliminate Grants Not Tied to Consent Decree or Juvenile Justice Eliminate funding for less critical grants including Covenant to Care and Yale Youth Center. 	-379,000
Reallocations or Transfers	
<ul style="list-style-type: none"> Expand Community Reintegration Efforts Initiate systemic changes in the treatment of the juvenile justice population by reallocating \$1.5 million from Board and Care Residential to Community programs of Outreach and Tracking, MultiSystemic Therapy, jobs programs and mentoring. Also transfers funding for ongoing Outreach and Tracking grants into correct account. 	0
Technical Adjustments	
<ul style="list-style-type: none"> Reallocate Funding for Private Provider COLAs 	3,044,721
<ul style="list-style-type: none"> Continue FY 2002 Savings Program 	-1,556,618
<ul style="list-style-type: none"> Adjust Workers' Compensation Claims Account 	1,047,696
<ul style="list-style-type: none"> Restore Energy Funding 	1,324,382
Expansion Adjustments	

Budget Summary

- Enhance Computer System (LINK) to Comply with Federal and Operating System Requirements 4,000,000
Funding is provided for LINK enhancements including upgrading the operating system, programming changes required by the federal Administration for Families and Children and initiating electronic storage and retrieval of closed records.
- Supplemental Private Provider Monies to Enhance Services and/or for Distressed Provider Agencies 933,468

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	3,398	3,463	3,463	0	3,463
Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	182,094,889	203,301,175	214,554,699	-1,500,000	213,054,699
Other Expenses	26,623,695	32,486,311	31,201,153	5,177,382	36,378,535
<u>Capital Outlay</u>					
Equipment	1,000	237,000	1,000	0	1,000
<u>Other Current Expenses</u>					
Short Term Residential Treatment	625,166	647,150	649,242	7,503	656,745
Long Lane School Transition	296,145	0	0	0	0
Private Provider Supplemental Rates	0	0	0	933,468	933,468
Wilderness School Program	96,250	0	0	0	0
Substance Abuse Screening	1,508,510	1,696,133	1,768,832	-46,558	1,722,274
Workers' Compensation Claims	3,948,116	3,421,805	2,970,057	1,047,696	4,017,753
Local Systems of Care	844,615	1,177,125	1,180,929	13,648	1,194,577
TOTAL - Other Current Expenses	7,318,802	6,942,213	6,569,060	1,955,757	8,524,817
<u>Pmts to Other Than Govts</u>					
Health Assessment and Consultation	0	323,894	324,941	-57,796	267,145
Grants Psychiatric Clinics for Children	11,138,118	13,614,527	13,673,602	142,997	13,816,599
Day Treatment Centers for Children	4,503,402	5,673,104	5,693,910	63,340	5,757,250
Juvenile Justice Outreach Services	0	1,846,767	1,828,827	810,662	2,639,489
Child Abuse and Neglect Intervention	5,210,875	5,533,282	5,552,415	-166,181	5,386,234
Community Emergency Services	629,813	176,008	176,576	2,041	178,617
Community Based Prevention Programs	2,564,587	2,740,136	2,750,117	31,770	2,781,887
Aftercare for Children	49,755	0	0	0	0
Family Violence Outreach and Counseling	458,598	497,511	498,759	5,768	504,527
Health and Community Services	1,267,520	0	0	0	0
Support for Recovering Families	0	1,750,702	1,757,793	18,887	1,776,680
No Nexus Special Education	4,621,370	5,859,211	6,183,750	-233,153	5,950,597
Family Preservation Services	5,796,685	6,477,206	6,501,272	71,391	6,572,663
Substance Abuse Treatment	2,724,137	2,678,882	2,687,538	571,060	3,258,598
Child Welfare Support Services	2,018,519	492,980	598,776	-244,284	354,492
Juvenile Case Management Collaborative	578,880	0	0	0	0
Board and Care for Children - Adoption	30,831,839	38,499,551	40,534,633	349,861	40,884,494
Board and Care for Children - Foster	71,830,897	75,261,676	75,603,518	3,402,150	79,005,668
Board & Care - Residential	114,782,993	134,745,180	139,678,045	-9,582,652	130,095,393
Individualized Family Supports	1,019,360	3,741,653	3,656,365	3,930,098	7,586,463
Community KidCare	3,089,149	7,322,500	14,884,257	-58,000	14,826,257
TOTAL - Pmts to Other Than Govts	263,116,497	307,234,770	322,585,094	-942,041	321,643,053
TOTAL - General Fund	479,154,883	550,201,469	574,911,006	4,691,098	579,602,104



COUNCIL TO ADMINISTER THE CHILDREN'S TRUST FUND

AGENCY PURPOSE

The mandate of the Children's Trust Fund is to prevent child abuse and neglect and to establish resources in communities that support and strengthen family functioning.

- Establish and fund programs aimed at reducing the incidence of child abuse and neglect and improving parental relationships and involvement with children.
- Launch initiatives to reduce child maltreatment in various settings; day care centers, schools, residential facilities.
- Encourage existing agencies to incorporate a prevention component or focus into their ongoing work.
- Create a knowledgeable work force that is well trained in prevention strategies and approaches.
- Create a network of agencies that provide prevention services to families across the continuum of risk for abuse and neglect.

RECENT HIGHLIGHTS

- Funding several nationally recognized prevention programs that support high-risk groups of parents; those involved with domestic violence and substance abuse, addressing mental health concerns and parents of children with special needs and disabilities.
- Establishing, with the University of Connecticut School of Family Studies a statewide training and credential program for practitioners that work with families. This training will emphasize family interaction and raise standards of practice in the field.
- Implementing a Community Partnership program with the Hartford Office of DCF and various organizations in the city. The Community Partnership seeks to engage the full community in efforts to protect children and prevent abuse and neglect.
- Establishing a pilot child abuse and neglect prevention program that will reach the families of very young truants. The University of Hartford will study the approach.
- Providing small grants through a Kinship Fund to children living in the care of a grandparent or other relative guardian that began in New Haven and has been expanded to include the probate courts in Hartford, Bridgeport, Norwich, New London and Waterbury.
- The Healthy Families Initiative will be expanded to nineteen of the twenty-nine hospitals in the state. The program provides education and support for all interested new parents and intensive home visiting for parents identified at the most risk.

INITIATIVES FOR FY 2003

- Expand Project ChildServ statewide as part of the Governor's Behavioral Health Initiative. This program is a prevention initiative to identify and treat young children with behavioral health, developmental, and psychosocial needs.
- Implement a Child Centered Youth Sports program to include mini-grants to local communities and training for coaches in age-appropriate coaching and a sports day.
- Develop a pilot child abuse and neglect prevention program in socially isolated family day care settings.
- Develop an internship program for students to work in prevention programs across the state.
- Launch a statewide community awareness program to promote the key ideas for developing nurturing families and nurturing communities.
- Offer training in parenting approaches to human services providers who work with teen fathers throughout Connecticut.
- The Healthy Families Initiative will enhance its efforts to prevent shaken baby syndrome.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Expansion of Healthy Families Programs
Funding for new Healthy Families programs in FY 2003 is eliminated.

2002-2003

-400,000

Technical Adjustments

- Reallocate Funding for Private Provider COLAs
- Limit Expansion Funding for ChildServ

51,643

-200,000

AGENCY SUMMARY

<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u><i>Other Current Expenses</i></u>					
Children's Trust Fund	4,607,169	5,219,040	6,341,951	-548,357	5,793,594
TOTAL - General Fund	4,607,169	5,219,040	6,341,951	-548,357	5,793,594

COUNTY SHERIFFS

AGENCY PURPOSE

- Per PA 00-99 and the referendum approved by the people of Connecticut, the County Sheriffs agency has been eliminated.
- The functions and positions of the agency have been transferred to the Judicial Department.
- The High Sheriffs will finish their term and the agency will cease to exist in May of 2003.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	8	8	8	0	8
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	739,380	7	7	0	7
Other Expenses	347,208	0	0	0	0
<u>Other Current Expenses</u>					
Sheriffs Training	133,689	0	0	0	0
Special Deputy Sheriffs	11,023,921	0	0	0	0
Vaccination and Testing	16,416	0	0	0	0
TOTAL - Other Current Expenses	11,174,026	0	0	0	0
TOTAL - General Fund	12,260,614	7	7	0	7



JUDICIAL DEPARTMENT

AGENCY PURPOSE

- To interpret state statutes and to determine whether a law violates either the Connecticut or the United States Constitution.
- To uphold the laws of the state by determining the guilt or innocence of persons accused of crimes.
- To ensure the principles of fair and reasonable bail by interviewing all detained criminal defendants to determine whether they should remain incarcerated during the pendency of their case.
- To create and sustain a full range of alternatives to incarceration for both pre- and post-conviction adult and juvenile populations.
- To supervise probationers in the community and to encourage improvement in their conduct and condition.
- To advocate for victims of crime and arrange for or provide services and financial compensation.
- To resolve disputes involving civil or personal rights.
- To effectively resolve family and interpersonal conflicts through a comprehensive program of negotiation, mediation, evaluation and education.
- To provide safe and secure custody, treatment and rehabilitative services for children and families through the juvenile justice system.
- To enforce, review and adjust child support orders.
- To maintain secure and safe conditions in courthouses and other Judicial Branch facilities.
- To provide for the transportation of prisoners between courthouses and places of confinement.

RECENT HIGHLIGHTS

- Twenty-three new judges were appointed during the last fiscal year. These judges will preside over cases of persons accused of breaking the law, as well as disputes involving property or civil rights.
- The Judicial Branch assumed the functions of courthouse security, prisoner transportation and the operation of two lockup facilities on December 1, 2000. This new responsibility requires the management of over 800 Judicial Marshals who provide security to 55 facilities, transport approximately 170,000 prisoners annually and operate two 24-hour facilities. In addition, the Branch developed a comprehensive pre-service training program for newly hired Judicial Marshals.
- A Court Support Services Training Academy was created to provide extensive training opportunities for employees of CSSD including: probation officers, bail commissioners, family relations counselors and alternative sanctions monitors. The Academy provides a minimum of 120 hours of training for new employees and up to 40 hours of staff development for existing employees.
- Supreme and Appellate Court decisions, civil jury instructions and standing orders are now available on the Judicial Branch website.

INITIATIVES FOR FY 2003

- The Restraining, Protective and No-Contact Registry will enhance safety by making access available to the law enforcement community, 24 hours per day, seven days per week to all restraining, protective and no-contact orders. It will be operational on January 2, 2002.
- A Commission was formed to study and improve the civil system. Some of the recommendations currently being implemented include: enabling parties to mark short calendar motions via the Internet and various programs to promote settlement of cases more expeditiously.
- Efforts are underway to enhance the Judicial Branch website by making it more interactive. These enhancements include: on-line attorney registration, payment of the Client Security Fund fee via the Internet and on-line payments of fines for infractions and violations. Additional enhancements to the website include: the posting of the *Rules of the Superior Court* and the *Code of Evidence*.

RECOMMENDED ADJUSTMENTS

Reductions

- Eliminate Appropriation for Probate Court

2002-2003

-500,000

Reallocations or Transfers

- Reallocate Funding for Judicial Marshals

0

Transfer \$30,840,037 from the Sheriffs Transition Account: \$28,820,990 to Personal Services to support 36 staff and Judicial Marshal's per diems; and \$1,969,047 to Other Expenses and \$50,000 to equipment.

Technical Adjustments

- Reallocate Funding for Private Provider COLAs

740,625

- Continue FY 2002 Savings Program - Personal Services and Justice Education Center -511,448
Adjust Personal Services for \$500,000 and the Justice Education Center grant for \$11,448.
- Revise Occupancy - 90 Washington Street Lease -500,000
Adjust funding to correspond to an estimated occupancy date of January, 2003.
- Restore Energy Funding 2,083,335
- Continue FY 2002 Savings Program - Adult and Certain Juvenile Community Based Services -1,275,000
Adjust funding for the Alternative Incarceration Program by \$600,000 continuing a portion of the savings program initiated in FY02 affecting non-residential services. Remove funding of \$675,000 for Youth in Crisis programs for 16 and 17 year olds.
- Continue FY 2002 Savings Program - Judicial Marshal Per Diems -500,000
Adjust Personal Services for per diems paid to Judicial Marshals providing courthouse security and prisoner transportation subsequent to a reallocation of \$28.8 million from the Sheriffs Transition Account.

Expansion Adjustments

- Pick Up Expiring Federal Grant 805,047
Half year funding to continue 25 Juvenile Probation Officers.

Revenue Adjustments

- Increase Certain Court Filing Fees
Generate an estimated \$1.3 million in revenue by increasing: Jury Fee from \$300 to \$350; Entry Fee/Small Claims from \$30 to \$35; Motion to Modify Judgment from \$60 to \$70; Application Fee Wage/Property Execution from \$10 to \$20.

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	3,074	3,083	3,146	25	3,171
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	183,939,785	199,993,152	212,044,385	28,575,987	240,620,372
Other Expenses	51,221,083	54,733,945	57,895,719	3,602,432	61,498,151
<u>Capital Outlay</u>					
Equipment	2,137,787	2,580,915	2,191,808	50,000	2,241,808
<u>Other Current Expenses</u>					
Alternative Incarceration Program	30,673,789	34,156,014	35,250,737	-175,153	35,075,584
Justice Education Center, Inc.	223,556	220,533	232,402	-8,434	223,968
Juvenile Alternative Incarceration	20,834,218	21,605,145	21,658,026	267,188	21,925,214
Juvenile Justice Centers	2,742,079	2,840,272	2,847,224	35,125	2,882,349
Probate Court	500,000	500,000	500,000	-500,000	0
Truancy Services	365,961	384,829	1,029,994	-664,549	365,445
Sheriffs Transition Account	15,025,906	29,235,438	30,840,037	-30,840,037	0
TOTAL - General Fund	307,664,164	346,250,243	364,490,332	342,559	364,832,891
<u>Other Current Expenses</u>					
Criminal Injuries Compensation Fund	1,628,283	1,500,000	1,500,000	0	1,500,000
TOTAL - Criminal Injuries Compensation Fund	1,628,283	1,500,000	1,500,000	0	1,500,000
TOTAL - ALL FUNDS	309,292,447	347,750,243	365,990,332	342,559	366,332,891



STATE MARSHAL COMMISSION

AGENCY PURPOSE

The State Marshal Commission is an independent agency that oversees the administration of the state marshals. The commission consists of eight appointed members and two non-voting representatives of the state marshals.

- The commission sets professional standards, including training requirements and minimum fees for execution and services of process.
- The commission may adopt such rules as it deems necessary for conduct of its internal affairs and for the

application and investigation requirements for filling vacancies in the position of state marshal. The commission may remove a state marshal for cause after due notice and hearing.

- The commission must periodically review and audit records and accounts of state marshals.

RECENT HIGHLIGHTS

- The State Marshal Commission is continuing their effort to develop regulations to be submitted to the standing legislative committee.
- PA 01-9 of the June Special Session established a non-lapsing State Marshal Account as a separate account within the General Fund. It is expected that in the upcoming legislative session, current law will be amended to allow the first \$250,000 from a \$250 annual fee that each State Marshal shall pay and an extra \$5 fee charged

to each person filing a civil cause of action to be credited to the State Marshal Account.

- In January 2002, the Finance Advisory Committee approved two new positions to be added to the State Marshal Commission's authorized count. Funded by the State Marshal Account, these positions will assist in fulfilling the statutory requirements charged to the State Marshal Commission.

AGENCY SUMMARY

	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personnel Summary					
<u>Permanent Full-Time Positions</u>					
General Fund	0	4	4	0	4
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	0	164,605	173,383	0	173,383
Other Expenses	0	55,000	55,000	0	55,000
<u>Capital Outlay</u>					
Equipment	0	5,000	100	0	100
TOTAL - General Fund	0	224,605	228,483	0	228,483



PUBLIC DEFENDER SERVICES COMMISSION

AGENCY PURPOSE

- Ensure the constitutional administration of criminal justice within the state criminal court system, by maintaining a public defender office at all court locations throughout the state.
- Provide legal representation to indigent accused in criminal trials and appeals, extradition proceedings, habeas corpus proceedings arising from a criminal matter, delinquency matters, and Psychiatric Security Review Board cases.
- Provide social work services to clients to assist them in addressing and resolving personal and social problems which lead to arrest and prosecution within the criminal justice system.
- Contribute to crime prevention by participation in specialized programs, including Drug Courts, Community Court, Alternatives to Incarceration and Team Case Management.
- Provide a balanced perspective within the criminal justice community by participation on state policy boards, task forces, and committees involved in addressing criminal justice issues.
- Fulfill the State's constitutional obligation to provide counsel for indigent accused in a professional, effective and cost efficient manner.

RECENT HIGHLIGHTS

- In 2000-01 the Division of Public Defender Services achieved the Public Defender Services Commission's *Caseload Goals for Public Defenders* in Judicial District, Geographical Area and Juvenile offices through the allocation of new staff.
- The Division's Social Worker program and Chief Social Worker received *The Sentencing Project Award For Outstanding Contribution To Advocacy* from the National Association of Sentencing Advocates "for commitment to excellence in serving clients, the courts and the community". This award recognized the success of Connecticut's program, which has grown to 40 social workers over the last 27 years. Public defender social workers assist clients in addressing substance abuse, mental illness, employment, housing and other issues that have contributed to their involvement in the criminal justice system.
- Under the leadership of the Director of Special Public Defenders, the Division improved its Special Public Defender program in the areas of compensation, training and litigation support for private attorneys appointed by the court to handle conflict of interest cases on a contractual and non-contractual basis. An extensive effort was also successfully undertaken to recruit and train Special Public defenders to represent clients in habeas corpus proceedings arising from criminal matters.
- Through the availability of federal grant funding, the newly established Juvenile Post-Conviction & Re-Entry Unit successfully represented numerous clients committed to the Department of Children and Families in accordance with the Division's obligation to provide representation to juveniles for the duration of any court-ordered commitment or period of probation.
- The Division's Training Department successfully completed the first full cycle of its one year training curriculum for newly hired attorneys, including a week long Trial Advocacy Program at Quinnipiac School of Law. In addition, federal and state funds enabled a record number of employees to attend national training programs, including trial advocacy, juvenile justice, death penalty litigation and appeals.
- The Division continued to rank amongst the highest in total federal grant dollars received by a statewide indigent defense program. In 2001-02 the Division will receive \$1.1 million in federal Byrne Grant funds and \$578,800 in Juvenile Accountability Incentive Block Grant funds. In total, the division was awarded \$1.68 million for team case management, drug court, and Juvenile staff increases and office expansions.

INITIATIVES FOR FY 2003

- Continue efforts to attain the Division's goal of staffing all juvenile offices statewide by pursuing funding to hire permanent staff for the Rockville Juvenile Matters office.
- Ensure the adequacy of compensation for Special Public Defenders through an incremental change in the hourly rates for in-court and out-of-court services.
- Improve public understanding of the role of Public Defenders through production and distribution of a public education video and display of the Division's 25th Anniversary exhibit around the state.
- Enhance the overall quality of representation provided to clients through initiatives in the area of arraignments, confidentiality of courthouse interview space, and racial and ethnic disparity within the criminal justice system.
- Install the Division's automated case tracking system in additional offices in order to promote more efficient office operations and accurate record keeping.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

2002-2003

- Adjust Personal Services to Reflect FY02 Statutory Salary Increases

77,590

AGENCY SUMMARY

Personnel Summary	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Permanent Full-Time Positions</u>					
General Fund	360	362	362	0	362
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
Personal Services	23,420,333	25,693,831	26,923,750	-24,806	26,898,944
Other Expenses	1,352,633	1,367,816	1,372,816	0	1,372,816
<u>Capital Outlay</u>					
Equipment	131,064	114,463	74,655	0	74,655
<u>Other Current Expenses</u>					
Special Public Defenders - Contractual	1,895,644	2,060,000	2,060,000	0	2,060,000
Spec Public Defenders - Non-contractual	3,017,926	3,057,677	3,057,677	0	3,057,677
Expert Witnesses	977,018	1,096,335	1,096,335	0	1,096,335
Training and Education	109,295	81,505	85,795	0	85,795
TOTAL - Other Current Expenses	5,999,883	6,295,517	6,299,807	0	6,299,807
TOTAL - General Fund	30,903,913	33,471,627	34,671,028	-24,806	34,646,222

MISCELLANEOUS APPROPRIATIONS TO THE GOVERNOR

PURPOSE

A contingency appropriation is made available to the Governor to meet any emergency which warrants an expenditure and is deemed in the best interest of the public.

AGENCY SUMMARY

Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Other Current Expenses</u>					
Governor's Contingency Account	0	17,100	17,100	0	17,100
TOTAL - General Fund	0	17,100	17,100	0	17,100

DEBT SERVICE – STATE TREASURER

PURPOSE

The servicing of all state debt obligations is performed by the State Treasurer. Funds for the payment of debt service are appropriated to non-functional accounts.

RECOMMENDED ADJUSTMENTS

Technical Adjustments	2002-2003
General Fund	
• Revise Estimates and Interest Rate Reductions	-22,383,279
• Adjust Funding Due to Elimination of FY 2001 Surplus	1,400,000
Special Transportation Fund	
• Revise Estimates and Interest Rate Reductions	-5,722,672
• Adjust Funding Due to Elimination of FY 2001 Surplus	2,125,082
Increase Debt Service for additional \$27M bonding.	

AGENCY SUMMARY

Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Pmts to Other Than Govts</u>					
Debt Service	923,132,763	941,117,505	989,554,225	-19,810,723	969,743,502
UConn 2000 Debt Service	48,393,049	56,820,733	68,107,093	-1,172,556	66,934,537
CHEFA Day Care Security	2,028,619	2,500,000	2,500,000	0	2,500,000
TOTAL - General Fund	973,554,431	1,000,438,238	1,060,161,318	-20,983,279	1,039,178,039
<u>Pmts to Other Than Govts</u>					
Debt Service	395,351,115	401,789,466	418,206,121	-3,597,590	414,608,531
TOTAL - Special Transportation Fund	395,351,115	401,789,466	418,206,121	-3,597,590	414,608,531
<u>Pmts to Other Than Govts</u>					
Debt Service	169,632	170,332	143,967	0	143,967
TOTAL - Regional Market Operation Fund	169,632	170,332	143,967	0	143,967
TOTAL - ALL FUNDS	1,369,075,178	1,402,398,036	1,478,511,406	-24,580,869	1,453,930,537

RESERVE FOR SALARY ADJUSTMENTS

PURPOSE

Funds are provided to finance collective bargaining and related costs that were not able to be included in individual agency budgets at the time of the recommended budget formulation.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

• Adjust Reserve for Salary Adjustments Due to Collective Bargaining Requirements	2002-2003 13,435,200
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AGENCY SUMMARY

<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<i>Other Current Expenses</i>					
Reserve for Salary Adjustments	0	34,771,700	34,046,700	11,625,400	45,672,100
TOTAL - General Fund	0	34,771,700	34,046,700	11,625,400	45,672,100
<i>Other Current Expenses</i>					
Reserve for Salary Adjustments	0	6,054,600	1,454,600	1,809,800	3,264,400
TOTAL - Special Transportation Fund	0	6,054,600	1,454,600	1,809,800	3,264,400
TOTAL - ALL FUNDS	0	40,826,300	35,501,300	13,435,200	48,936,500

WORKERS' COMPENSATION CLAIMS

DEPARTMENT OF ADMINISTRATIVE SERVICES

PURPOSE

Funds are provided through these central accounts to pay Workers' Compensation Claims for all state agencies except the Departments of Mental Retardation, Mental Health and

Addiction Services, Correction, Public Safety and Children and Families. (These agencies have their own separate appropriations for this purpose.)

RECOMMENDED ADJUSTMENTS

Technical Adjustments

	2002-2003
• Adjust Workers' Compensation Claims Account - General Fund	1,695,864
• Adjust Workers' Compensation Claims Account - Special Transportation Fund	27,098

AGENCY SUMMARY

Financial Summary	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
<u>Other Current Expenses</u>					
Workers' Compensation Claims	14,490,152	12,727,329	10,819,776	1,695,864	12,515,640
TOTAL - General Fund	14,490,152	12,727,329	10,819,776	1,695,864	12,515,640
<u>Other Current Expenses</u>					
Workers' Compensation Claims	2,455,979	3,227,296	3,347,639	27,098	3,374,737
TOTAL - Special Transportation Fund	2,455,979	3,227,296	3,347,639	27,098	3,374,737
TOTAL - ALL FUNDS	16,946,131	15,954,625	14,167,415	1,722,962	15,890,377

COMPTROLLER MISCELLANEOUS

– OTHER THAN FRINGE BENEFITS

PURPOSE

The non-fringe benefit portion of the Miscellaneous Appropriations Administered by the Comptroller consists of grants for such purposes as fire training schools, maintenance of fire radio networks, and the State Police Association of Connecticut and CT State Firefighters Association. It also

consists of grants to towns for various purposes as well as some other small grants. The Judicial Review Council ensures the integrity of the judiciary through the investigation of any alleged misconduct and through the power to discipline those found guilty of misconduct.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

- Adjust Funding Due to Elimination of FY 2001 Surplus

2002-2003

15,000,000

Expansion Adjustments

- Increase Aid to Impact Towns

Within the current \$135M grant, this would increase aid to those towns most effected by having casinos in the vicinity. These towns are Ledyard, Montville, North Stonington, Preston, and Norwich.

<i>Personnel Summary</i>	2000-2001 Authorized	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
JUDICIAL REVIEW COUNCIL					
<i>Permanent Full-Time Positions</i>					
General Fund	1	1	1	0	1
Financial Summary					
	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
GENERAL FUND					
JUDICIAL REVIEW COUNCIL					
Personal Services	115,631	119,315	121,895	0	121,895
Other Expenses	19,735	32,959	32,959	0	32,959
<i>Capital Outlay</i>					
Equipment	0	1,000	1,000	0	1,000
TOTAL - Judicial Review Council	135,366	153,274	155,854	0	155,854
REFUNDS OF PAYMENTS					
Other Expenses	345,322	0	0	0	0
FIRE TRAINING SCHOOLS					
<i>Pmts to Other Than Govts</i>					
Willimantic	81,650	81,650	81,650	0	81,650
Torrington	55,050	55,050	55,050	0	55,050
New Haven	36,850	36,850	36,850	0	36,850
Derby	36,850	36,850	36,850	0	36,850
Wolcott	48,300	48,300	48,300	0	48,300
Fairfield	36,850	36,850	36,850	0	36,850
Hartford	65,230	65,230	65,230	0	65,230
Middletown	28,610	28,610	28,610	0	28,610
TOTAL - Pmts to Other Than Govts	389,390	389,390	389,390	0	389,390

MAINT COUNTY BASE FIRE RADIO NETWORK

Pmts to Other Than Govts

Maintenance of County Base Fire Radio	21,850	21,850	21,850	0	21,850
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MAINT STATEWIDE FIRE RADIO NETWORK

Pmts to Other Than Govts

Maint of State-Wide Fire Radio Network	14,570	14,570	14,570	0	14,570
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EQUAL GTS NONPROFIT GENERAL HOSPITALS

Pmts to Other Than Govts

Equal Grants-Thirty-Four Non-profit Hosp	31	34	34	0	34
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POLICE ASSOCIATION OF CONNECTICUT

Pmts to Other Than Govts

Police Association of Connecticut	122,162	169,100	169,100	0	169,100
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CT STATE FIREFIGHTERS ASSOCIATION

Pmts to Other Than Govts

Connecticut State Firefighters Assoc	92,423	197,676	197,676	0	197,676
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INTERSTATE ENVIRONMENTAL COMMISSION

Pmts to Other Than Govts

Interstate Environmental Commission	3,470	86,250	86,250	0	86,250
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LOSS OF TAXES ON STATE PROPERTY

Pmts to Local Governments

Loss of Taxes on State Property	64,759,334	66,059,215	63,778,364	0	63,778,364
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LOSS TAXES PRIVATE TAX-EXEMPT PROPERTY

Pmts to Local Governments

Loss Taxes Private Tax-Exempt Property	97,163,154	100,931,737	97,163,154	0	97,163,154
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SPECIAL TRANSPORTATION FUND

REFUNDS OF PAYMENTS

Other Expenses	3,086,906	0	0	0	0
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MASHANTUCKET PEQUOT AND MOHEGAN FUND

GRANTS TO TOWNS

Pmts to Local Governments

Grants to Towns	130,094,559	135,000,000	120,000,000	15,000,000	135,000,000
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COMPTROLLER MISCELLANEOUS - FRINGE BENEFITS

PURPOSE

Fringe benefits for General and Special Transportation Fund employees and all retired state employees are funded through these accounts which include the state share of social security

taxes, unemployment compensation, tuition reimbursement, life and health insurance, and retirement contributions.

RECOMMENDED ADJUSTMENTS

Technical Adjustments

• Add Funding to Tuition Reimbursement for Settled Collective Bargaining Contracts	2002-2003	1,409,500
• Adjust Fringe Benefits for Net Position Changes		1,925,000

Expansion Adjustments

• Include Fringe Benefit Costs Related to Disaster Preparedness Positions	2002-2003	168,000
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<i>Financial Summary</i>	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriated	2002-2003 Net Adjustments	2002-2003 Revised Recommended
GENERAL FUND					
UNEMPLOYMENT COMPENSATION					
Other Expenses	2,890,612	3,275,000	3,340,000	0	3,340,000
ST EMPLOYEES RETIREMENT CONTRIBUTIONS					
Other Expenses	257,806,736	284,527,059	285,694,490	0	285,694,490
HIGHER ED ALTERNATIVE RETIREMENT					
Other Expenses	14,854,715	16,707,476	16,634,046	0	16,634,046
PENSIONS & RETIREMENTS-OTHER STATUTORY					
Other Expenses	1,402,720	1,652,000	1,765,000	0	1,765,000
JUDGES & COMPENSATION COMM RETIREMENT					
Other Expenses	9,837,077	9,597,785	10,125,658	0	10,125,658
INSURANCE - GROUP LIFE					
Other Expenses	6,226,443	4,166,914	4,179,615	0	4,179,615
TUITION REIMBURSEMENT-TRAINING&TRAVEL					
<i>Other Current Expenses</i>					
Tuition Reimbursement -Training/Travel	2,298,734	2,730,000	490,000	1,409,500	1,899,500
EMPLOYERS SOCIAL SECURITY TAX					
Other Expenses	156,702,453	172,504,362	183,170,428	671,000	183,841,428
STATE EMPLOYEES HEALTH SERVICE COST					
Other Expenses	223,511,729	261,201,944	289,980,512	1,422,000	291,402,512
RETIRED ST EMPLOYEES HEALTH SERV COST					
Other Expenses	171,852,369	205,032,200	232,272,000	0	232,272,000

Budget Summary

SPECIAL TRANSPORTATION FUND

UNEMPLOYMENT COMPENSATION

Other Expenses	113,170	269,000	275,000	0	275,000
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ST EMPLOYEES RETIREMENT CONTRIBUTIONS

Other Expenses	31,321,880	36,676,000	40,214,000	0	40,214,000
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INSURANCE - GROUP LIFE

Other Expenses	158,380	240,000	240,000	0	240,000
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EMPLOYERS SOCIAL SECURITY TAX

Other Expenses	11,795,212	12,775,600	13,432,000	0	13,432,000
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STATE EMPLOYEES HEALTH SERVICE COST

Other Expenses	17,096,402	20,030,200	22,075,300	0	22,075,300
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SECTION C - PROPOSED APPROPRIATIONS

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
GENERAL FUND			
<u>LEGISLATIVE</u>			
LEGISLATIVE MANAGEMENT			
Personal Services	34,661,211		34,661,211
Other Expenses	14,805,374		14,805,374
Equipment	876,000		876,000
Interim Committee Staffing	510,000		510,000
Interim Salary/Caucus Offices	435,000		435,000
Industrial Renewal Plan	180,000		180,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Interstate Conference Fund	265,350		265,350
AGENCY TOTAL	51,732,935		51,732,935
AUDITORS OF PUBLIC ACCOUNTS			
Personal Services	8,727,197		8,727,197
Other Expenses	610,409		610,409
Equipment	134,504		134,504
AGENCY TOTAL	9,472,110		9,472,110
COMMISSION ON THE STATUS OF WOMEN			
Personal Services	497,198		497,198
Other Expenses	124,860		124,860
Equipment	2,625		2,625
AGENCY TOTAL	624,683		624,683
COMMISSION ON CHILDREN			
Personal Services	484,875		484,875
Other Expenses	99,775		99,775
Equipment	2,625		2,625
Social Health Index	40,000		40,000
AGENCY TOTAL	627,275		627,275
LATINO AND PUERTO RICAN AFFAIRS COMMISSION			
Personal Services	316,251		316,251
Other Expenses	85,690		85,690
Equipment	5,250		5,250
AGENCY TOTAL	407,191		407,191
AFRICAN-AMERICAN AFFAIRS COMMISSION			
Personal Services	260,417		260,417
Other Expenses	92,800		92,800
Equipment	2,500		2,500
AGENCY TOTAL	355,717		355,717
TOTAL	63,219,911		63,219,911
<u>LEGISLATIVE</u>			
<u>GENERAL GOVERNMENT</u>			
GOVERNOR'S OFFICE			
Personal Services	2,300,360		2,300,360

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Other Expenses	289,479		289,479
Equipment	100		100
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
New England Governors' Conference	140,862		140,862
National Governors' Association	102,422		102,422
AGENCY TOTAL	<u>2,833,223</u>		<u>2,833,223</u>
SECRETARY OF THE STATE			
Personal Services	2,882,377		2,882,377
Other Expenses	1,256,996	-1,256,995	1
Equipment	1,000		1,000
AGENCY TOTAL	<u>4,140,373</u>	<u>-1,256,995</u>	<u>2,883,378</u>
LIEUTENANT GOVERNOR'S OFFICE			
Personal Services	267,222	40,000	307,222
Other Expenses	51,688		51,688
Equipment	100		100
AGENCY TOTAL	<u>319,010</u>	<u>40,000</u>	<u>359,010</u>
ELECTIONS ENFORCEMENT COMMISSION			
Personal Services	777,158		777,158
Other Expenses	80,477		80,477
Equipment	1,000		1,000
AGENCY TOTAL	<u>858,635</u>		<u>858,635</u>
ETHICS COMMISSION			
Personal Services	756,638		756,638
Other Expenses	106,387		106,387
Equipment	100		100
Lobbyist Electronic Filing Program	42,000		42,000
AGENCY TOTAL	<u>905,125</u>		<u>905,125</u>
FREEDOM OF INFORMATION COMMISSION			
Personal Services	1,216,043		1,216,043
Other Expenses	124,909		124,909
Equipment	1,000		1,000
AGENCY TOTAL	<u>1,341,952</u>		<u>1,341,952</u>
JUDICIAL SELECTION COMMISSION			
Personal Services	89,683		89,683
Other Expenses	20,727		20,727
Equipment	100		100
AGENCY TOTAL	<u>110,510</u>		<u>110,510</u>
STATE PROPERTIES REVIEW BOARD			
Personal Services	363,933		363,933
Other Expenses	184,346		184,346
Equipment	1,000		1,000
AGENCY TOTAL	<u>549,279</u>		<u>549,279</u>
STATE TREASURER			
Personal Services	3,662,260	-150,000	3,512,260
Other Expenses	416,404		416,404

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Equipment	1,000		1,000
AGENCY TOTAL	<u>4,079,664</u>	-150,000	<u>3,929,664</u>
STATE COMPTROLLER			
Personal Services	16,611,027	-150,000	16,461,027
Other Expenses	3,305,488	-50,000	3,255,488
Equipment	1,000		1,000
Wellness Program	47,500	-47,500	
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Governmental Accounting Standards Board	19,570		19,570
AGENCY TOTAL	<u>19,984,585</u>	-247,500	<u>19,737,085</u>
DEPARTMENT OF REVENUE SERVICES			
Personal Services	52,811,229	-100,000	52,711,229
Other Expenses	10,278,819		10,278,819
Equipment	1,000		1,000
Collection and Litigation Contingency Fund	455,000		455,000
AGENCY TOTAL	<u>63,546,048</u>	-100,000	<u>63,446,048</u>
DIVISION OF SPECIAL REVENUE			
Personal Services	7,941,231	-313,946	7,627,285
Other Expenses	1,766,209	112,000	1,878,209
Equipment	1,000		1,000
AGENCY TOTAL	<u>9,708,440</u>	-201,946	<u>9,506,494</u>
STATE INSURANCE AND RISK MANAGEMENT BOARD			
Personal Services	218,583		218,583
Other Expenses	8,922,742	2,217,940	11,140,682
Equipment	1,000		1,000
Surety Bonds for State Officials and Employees	153,450		153,450
AGENCY TOTAL	<u>9,295,775</u>	2,217,940	<u>11,513,715</u>
GAMING POLICY BOARD			
Other Expenses	3,400		3,400
AGENCY TOTAL	<u>3,400</u>		<u>3,400</u>
OFFICE OF POLICY AND MANAGEMENT			
Personal Services	14,716,345		14,716,345
Other Expenses	1,986,086		1,986,086
Equipment	1,000		1,000
State Disaster Contingency Fund		250,000	250,000
Statewide Training and Preparedness		500,000	500,000
Automated Budget System and Data Base Link	155,304	-50,000	105,304
Drugs Don't Work	475,000	-71,250	403,750
Leadership, Education, Athletics in Partnership (LEAP)	2,076,700		2,076,700
Children and Youth Program Development	750,000	-197,500	552,500
Cash Management Improvement Act	100		100
Justice Assistance Grants	2,288,501		2,288,501
Neighborhood Youth Centers	1,846,107	-500,000	1,346,107
High Efficiency Licensing Program	250,000		250,000
Boys and Girls Club	350,000	-35,000	315,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Tax Relief for Elderly Renters	12,800,000		12,800,000
Drug Enforcement Program	1,414,348		1,414,348

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Private Providers	7,500,000	-7,500,000	
PAYMENTS TO LOCAL GOVERNMENTS			
Reimbursement Property Tax - Disability Exemption	450,000		450,000
Distressed Municipalities	6,500,000	2,668,000	9,168,000
Property Tax Relief Elderly Circuit Breaker	22,000,000		22,000,000
Property Tax Relief Elderly Freeze Program	1,830,000	870,000	2,700,000
Property Tax Relief for Veterans	8,900,000		8,900,000
Drug Enforcement Program	9,266,053	-2,037,051	7,229,002
P.I.L.O.T.-New Manufacturing Machinery and Equipment	75,500,000	-1,300,000	74,200,000
Interlocal Agreements		48,500	48,500
Capital City Economic Development	750,000		750,000
Waste Water Treatment Facility Host Town Grant	250,000	-250,000	
AGENCY TOTAL	172,055,544	-7,604,301	164,451,243
DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	23,253,633	-500,000	22,753,633
Other Expenses	5,906,995	238,591	6,145,586
Equipment	1,000		1,000
AGENCY TOTAL	29,161,628	-261,409	28,900,219
OFFICE OF WORKFORCE COMPETITIVENESS			
Personal Services	509,169		509,169
Other Expenses	500,000		500,000
Equipment	1,800		1,800
CETC Workforce	4,230,000	-262,048	3,967,952
Job Funnels Projects		1,000,000	1,000,000
AGENCY TOTAL	5,240,969	737,952	5,978,921
DEPARTMENT OF ADMINISTRATIVE SERVICES			
Personal Services	19,749,515	-614,298	19,135,217
Other Expenses	2,881,613	-225,811	2,655,802
Equipment	1,000		1,000
Loss Control Risk Management	537,250	-100,000	437,250
Employees' Review Board	55,400		55,400
Disabilities Outreach Program		50,000	50,000
Quality of Work-Life	350,000		350,000
Refunds of Collections	52,000		52,000
W. C. Administrator	5,620,008	-339,508	5,280,500
Hospital Billing System		140,000	140,000
AGENCY TOTAL	29,246,786	-1,089,617	28,157,169
DEPARTMENT OF INFORMATION TECHNOLOGY			
Personal Services	1,656,070	-54,131	1,601,939
Other Expenses	4,202,944		4,202,944
Equipment	1,000		1,000
Automated Personnel System	1,980,359	-58,565	1,921,794
AGENCY TOTAL	7,840,373	-112,696	7,727,677
DEPARTMENT OF PUBLIC WORKS			
Personal Services	6,366,648		6,366,648
Other Expenses	15,940,393	377,809	16,318,202
Equipment	1,000		1,000
Management Services	5,341,395	220,213	5,561,608

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Rents and Moving	7,772,311		7,772,311
Capitol Day Care Center	109,250		109,250
Facilities Design Expenses	5,572,849		5,572,849
AGENCY TOTAL	41,103,846	598,022	41,701,868
ATTORNEY GENERAL			
Personal Services	26,718,397		26,718,397
Other Expenses	1,278,012		1,278,012
Equipment	1,000		1,000
AGENCY TOTAL	27,997,409		27,997,409
OFFICE OF THE CLAIMS COMMISSIONER			
Personal Services	249,678		249,678
Other Expenses	31,258	20,000	51,258
Equipment	100		100
Adjudicated Claims	105,000		105,000
AGENCY TOTAL	386,036	20,000	406,036
DIVISION OF CRIMINAL JUSTICE			
Personal Services	37,120,001	-134,000	36,986,001
Other Expenses	2,734,707		2,734,707
Equipment	387,500		387,500
Forensic Sex Evidence Exams	338,330		338,330
Witness Protection	550,000		550,000
Training and Education	85,155		85,155
Expert Witnesses	200,000		200,000
Medicaid Fraud Control	629,816		629,816
AGENCY TOTAL	42,045,509	-134,000	41,911,509
CRIMINAL JUSTICE COMMISSION			
Other Expenses	1,195		1,195
AGENCY TOTAL	1,195		1,195
TOTAL GENERAL GOVERNMENT	472,755,314	-7,544,550	465,210,764
<u>REGULATION AND PROTECTION</u>			
DEPARTMENT OF PUBLIC SAFETY			
Personal Services	111,157,998	1,500,000	112,657,998
Other Expenses	20,324,054	2,264,414	22,588,468
Equipment	1,000		1,000
Stress Reduction	53,354		53,354
Fleet Purchase	8,177,748		8,177,748
Gun Law Enforcement Task Force	500,000		500,000
Workers' Compensation Claims	2,085,484	658,781	2,744,265
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Civil Air Patrol	38,692		38,692
AGENCY TOTAL	142,338,330	4,423,195	146,761,525
POLICE OFFICER STANDARDS AND TRAINING COUNCIL			
Personal Services	1,749,394		1,749,394
Other Expenses	909,539	5,500	915,039

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Equipment	1,000		1,000
Training at Satellite Academies	50,000	-50,000	
AGENCY TOTAL	<u>2,709,933</u>	<u>-44,500</u>	<u>2,665,433</u>
BOARD OF FIREARMS PERMIT EXAMINERS			
Personal Services	65,496		65,496
Other Expenses	38,121		38,121
Equipment	1,000		1,000
AGENCY TOTAL	<u>104,617</u>		<u>104,617</u>
MILITARY DEPARTMENT			
Personal Services	4,444,853	46,959	4,491,812
Other Expenses	2,056,247	107,469	2,163,716
Equipment	1,000		1,000
Honor Guards	400,000	-400,000	
AGENCY TOTAL	<u>6,902,100</u>	<u>-245,572</u>	<u>6,656,528</u>
COMMISSION ON FIRE PREVENTION AND CONTROL			
Personal Services	1,595,423		1,595,423
Other Expenses	612,898		612,898
Equipment	1,000		1,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Payments to Volunteer Fire Companies	240,000		240,000
AGENCY TOTAL	<u>2,449,321</u>		<u>2,449,321</u>
DEPARTMENT OF CONSUMER PROTECTION			
Personal Services	10,706,345	-293,327	10,413,018
Other Expenses	1,152,972		1,152,972
Equipment	1,000		1,000
AGENCY TOTAL	<u>11,860,317</u>	<u>-293,327</u>	<u>11,566,990</u>
DEPARTMENT OF LABOR			
Personal Services	9,936,519	-217,800	9,718,719
Other Expenses	948,336		948,336
Equipment	2,000		2,000
Workforce Investment Act	23,656,282		23,656,282
Vocational and Manpower Training	2,003,082	-200,000	1,803,082
Summer Youth Employment	732,646		732,646
Jobs First Employment Services	15,428,037		15,428,037
Opportunity Industrial Centers	584,932	-100,000	484,932
Opportunity Certificate and AEITC	720,442	-300,000	420,442
AGENCY TOTAL	<u>54,012,276</u>	<u>-817,800</u>	<u>53,194,476</u>
OFFICE OF VICTIM ADVOCATE			
Personal Services	204,953	44,050	249,003
Other Expenses	40,129		40,129
Equipment	1,000		1,000
AGENCY TOTAL	<u>246,082</u>	<u>44,050</u>	<u>290,132</u>
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES			
Personal Services	5,989,383	469,275	6,458,658
Other Expenses	568,867	47,500	616,367
Equipment	1,000		1,000

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Martin Luther King, Jr. Commission	7,000		7,000
Human Rights Referees	955,525	-955,525	
AGENCY TOTAL	7,521,775	-438,750	7,083,025
OFFICE OF PROTECTION AND ADVOCACY FOR PERSONS WITH DISABILITIES			
Personal Services	2,470,155	-60,000	2,410,155
Other Expenses	434,547		434,547
Equipment	1,000		1,000
AGENCY TOTAL	2,905,702	-60,000	2,845,702
OFFICE OF THE CHILD ADVOCATE			
Personal Services	500,290	54,800	555,090
Other Expenses	71,844		71,844
Equipment	1,000		1,000
Child Fatality Review Panel	67,500		67,500
AGENCY TOTAL	640,634	54,800	695,434
TOTAL REGULATION AND PROTECTION	231,691,087	2,622,096	234,313,183
<u>CONSERVATION AND DEVELOPMENT</u>			
DEPARTMENT OF AGRICULTURE			
Personal Services	4,229,527		4,229,527
Other Expenses	714,010		714,010
Equipment	1,000		1,000
Oyster Program	100,000		100,000
Vibrio Bacterium Program	10,000		10,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
WIC Program for Fresh Produce for Seniors	89,611		89,611
Collection of Agricultural Statistics	1,200		1,200
Tuberculosis and Brucellosis Indemnity	1,000		1,000
Exhibits and Demonstrations	5,600		5,600
Connecticut Grown Product Promotion	310,000	-295,000	15,000
WIC Coupon Program for Fresh Produce	85,371		85,371
AGENCY TOTAL	5,547,319	-295,000	5,252,319
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Personal Services	34,123,514	150,000	34,273,514
Other Expenses	3,319,037	157,387	3,476,424
Equipment	1,000	68,500	69,500
Stream Gaging	160,000		160,000
Mosquito Control	337,682		337,682
State Superfund Site Maintenance	600,000		600,000
Laboratory Fees	280,076		280,076
Dam Maintenance	122,298		122,298
Long Island Sound Research Fund	1,000		1,000
Emergency Response Commission	135,366		135,366
Beardsley Park and Zoo	450,000		450,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Soil Conservation Districts	1,040		1,040
Agreement USGS-Geological Investigation	47,000		47,000

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Agreement USGS-Hydrological Study	124,640		124,640
New England Interstate Water Pollution Commission	8,400		8,400
Northeast Interstate Forest Fire Compact	2,040		2,040
Connecticut River Valley Flood Control Commission	40,200		40,200
Thames River Valley Flood Control Commission	50,200		50,200
Environmental Review Teams	1,000		1,000
Agreement USGS Water Quality Stream Monitoring	172,710		172,710
AGENCY TOTAL	<u>39,977,203</u>	<u>375,887</u>	<u>40,353,090</u>
 COUNCIL ON ENVIRONMENTAL QUALITY			
Personal Services	129,625		129,625
Other Expenses	6,470		6,470
AGENCY TOTAL	<u>136,095</u>		<u>136,095</u>
 CONNECTICUT HISTORICAL COMMISSION			
Personal Services	1,118,940	-37,443	1,081,497
Other Expenses	96,573		96,573
Equipment	1,000		1,000
AGENCY TOTAL	<u>1,216,513</u>	<u>-37,443</u>	<u>1,179,070</u>
 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT			
Personal Services	7,324,456		7,324,456
Other Expenses	3,086,872	-50,000	3,036,872
Equipment	1,000		1,000
Elderly Rental Registry and Counselors	647,060	-20,000	627,060
Cluster Initiative	1,300,000		1,300,000
 OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Entrepreneurial Centers	215,000	-215,000	
Subsidized Assisted Living Demonstration	1,769,625	-869,625	900,000
Congregate Facilities Operation Costs	5,179,540		5,179,540
Housing Assistance and Counseling Program	384,600		384,600
Elderly Congregate Rent Subsidy	1,336,654		1,336,654
 PAYMENTS TO LOCAL GOVERNMENTS			
Tax Abatement	2,243,276	-2,243,276	
Payment in Lieu of Taxes	2,900,000	-2,900,000	
AGENCY TOTAL	<u>26,388,083</u>	<u>-6,297,901</u>	<u>20,090,182</u>
 AGRICULTURAL EXPERIMENT STATION			
Personal Services	5,544,950	-14,320	5,530,630
Other Expenses	463,965		463,965
Equipment	1,000		1,000
Mosquito Control	212,653		212,653
Wildlife Fertility Control	125,000	-125,000	
AGENCY TOTAL	<u>6,347,568</u>	<u>-139,320</u>	<u>6,208,248</u>
TOTAL CONSERVATION AND DEVELOPMENT	79,612,781	-6,393,777	73,219,004

HEALTH AND HOSPITALS

DEPARTMENT OF PUBLIC HEALTH

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Personal Services	30,896,117	2,665,971	33,562,088
Other Expenses	6,355,166	801,650	7,156,816
Equipment	1,000		1,000
Young Parents Program	198,912	-13,776	185,136
Pregnancy Healthline	110,798	-7,674	103,124
Needle and Syringe Exchange Program	399,998	-27,703	372,295
Community Services Support for Persons with AIDS	215,594	-14,932	200,662
Children's Health Initiatives	1,618,761	-112,112	1,506,649
Tobacco Education	200,000	-13,852	186,148
CT Immunization Registry	220,807	-15,293	205,514
Newborn Hearing Screening	70,000	-4,848	65,152
Childhood Lead Poisoning	265,770	-18,407	247,363
AIDS Services	4,268,765	-213,438	4,055,327
Liability Coverage for Volunteer Retired Physicians	4,235	-4,235	
Breast and Cervical Cancer Detection and Treatment	1,951,710		1,951,710
Services for Children Affected by AIDS	286,110	-19,815	266,295
Children with Special Health Care Needs	728,280	575,000	1,303,280
Medicaid Administration	3,993,267	-576,566	3,416,701
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Community Health Services	6,978,965	-1,407,061	5,571,904
Emergency Medical Services Training	36,414	-2,522	33,892
Emergency Medical Services Regional Offices	522,716	-116,000	406,716
Rape Crisis	462,062	-32,002	430,060
X-Ray Screening and Tuberculosis Care	621,527		621,527
Genetic Diseases Programs	804,722	-148,808	655,914
Loan Repayment Program	194,500		194,500
Immunization Services	7,126,548		7,126,548
PAYMENTS TO LOCAL GOVERNMENTS			
Local and District Departments of Health	4,446,010		4,446,010
Venereal Disease Control	231,255	-16,016	215,239
School Based Health Clinics	6,038,399	-125,000	5,913,399
AGENCY TOTAL	79,248,408	1,152,561	80,400,969
 OFFICE OF HEALTH CARE ACCESS			
Personal Services	2,718,780	-2,718,780	
Other Expenses	434,368	-434,368	
Equipment	2,000	-2,000	
AGENCY TOTAL	3,155,148	-3,155,148	
 OFFICE OF THE CHIEF MEDICAL EXAMINER			
Personal Services	3,677,188		3,677,188
Other Expenses	530,664		530,664
Equipment	7,500		7,500
Medicolegal Investigations	661,000		661,000
AGENCY TOTAL	4,876,352		4,876,352
 DEPARTMENT OF MENTAL RETARDATION			
Personal Services	283,992,763	-667,910	283,324,853
Other Expenses	23,172,643	471,830	23,644,473
Equipment	1,000		1,000
Human Resource Development	354,109	-17,705	336,404
Private Provider Supplemental Rates		1,302,861	1,302,861
Family Support Grants	1,008,185		1,008,185
Pilot Program for Client Services	2,235,129	25,831	2,260,960

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Cooperative Placements Program	11,033,394	65,718	11,099,112
Clinical Services	4,127,868	-206,393	3,921,475
Early Intervention	19,280,429	1,439,430	20,719,859
Temporary Support Services	208,094		208,094
Community Temporary Support Services	68,340		68,340
Community Respite Care Programs	335,376		335,376
Workers' Compensation Claims	9,679,788	556,516	10,236,304
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Rent Subsidy Program	2,717,615		2,717,615
Respite Care	2,113,767		2,113,767
Family Reunion Program	140,000		140,000
Employment Opportunities and Day Services	114,817,427	1,234,283	116,051,710
Family Placements	1,831,985	21,172	1,853,157
Emergency Placements	3,619,881	41,835	3,661,716
Community Residential Services	240,757,409	3,175,886	243,933,295
Services to Support the Aging Population	500,000		500,000
AGENCY TOTAL	721,995,202	7,443,354	729,438,556
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES			
Personal Services	161,704,075	-4,051,164	157,652,911
Other Expenses	25,972,636	-11,864	25,960,772
Equipment	1,000		1,000
Housing Supports and Services	6,139,019	-802,865	5,336,154
Managed Service System	22,393,700	972,133	23,365,833
Behavioral Health Medications	3,778,777	2,600,000	6,378,777
Private Provider Supplemental Rates		763,672	763,672
Legal Services	399,711		399,711
Connecticut Mental Health Center	8,230,275	-1,051,444	7,178,831
Capitol Region Mental Health Center	345,592		345,592
Professional Services	4,780,607		4,780,607
Regional Action Councils	750,125	-175,000	575,125
General Assistance Managed Care	76,463,067	-7,519,941	68,943,126
Workers' Compensation Claims	5,710,241	-628,159	5,082,082
Nursing Home Screening	492,843		492,843
Special Populations	20,828,518	146,934	20,975,452
TBI Community Services	3,985,675	462,389	4,448,064
Transitional Youth	3,511,582	-57,275	3,454,307
Jail Diversion	3,308,716	-55,723	3,252,993
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Grants for Substance Abuse Services	21,101,808	-190,456	20,911,352
Governor's Partnership to Protect Connecticut's Workforce	470,475	-47,048	423,427
Grants for Mental Health Services	77,466,086	-2,381,256	75,084,830
Employment Opportunities	9,668,499	111,737	9,780,236
AGENCY TOTAL	457,503,027	-11,915,330	445,587,697
PSYCHIATRIC SECURITY REVIEW BOARD			
Personal Services	263,220		263,220
Other Expenses	50,522		50,522
Equipment	1,000		1,000
AGENCY TOTAL	314,742		314,742
TOTAL	1,267,092,879	-6,474,563	1,260,618,316

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
HEALTH AND HOSPITALS			
<u>TRANSPORTATION</u>			
DEPARTMENT OF TRANSPORTATION			
PAYMENTS TO LOCAL GOVERNMENTS			
Town Aid Road Grants	35,000,000		35,000,000
AGENCY TOTAL	35,000,000		35,000,000
TOTAL TRANSPORTATION	35,000,000		35,000,000
<u>HUMAN SERVICES</u>			
DEPARTMENT OF SOCIAL SERVICES			
Personal Services	117,379,410	4,932,100	122,311,510
Other Expenses	46,397,215	43,622,377	90,019,592
Equipment	1,000		1,000
HUSKY Outreach and Data Collection	5,475,060	-3,975,060	1,500,000
Independent Living Center - Administration	24,388	-24,388	
Anti-Hunger Programs	227,016	-227,016	
Genetic Tests in Paternity Actions	218,484	-10,924	207,560
State Food Stamp Supplement	1,184,763	772,643	1,957,406
Day Care Projects	490,533	-24,527	466,006
Commission on Aging	281,033	-61,849	219,184
Information Technology Services	50,070,978	-50,070,978	
HUSKY Program	21,091,470	5,271,530	26,363,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Vocational Rehabilitation	7,068,478		7,068,478
Medicaid	2,593,271,493	34,282,106	2,627,553,599
Lifestar Helicopter	1,000,000	500,000	1,500,000
Old Age Assistance	31,779,221	-1,982,294	29,796,927
Aid to the Blind	587,149	32,186	619,335
Aid to the Disabled	59,323,266	-2,472,032	56,851,234
Temporary Assistance to Families - TANF	122,540,334	9,576,770	132,117,104
Adjustment of Recoveries	150,000		150,000
Emergency Assistance	500		500
Food Stamp Training Expenses	130,800		130,800
Connecticut Pharmaceutical Assistance Contract to the Elderly	74,468,137	-10,744,910	63,723,227
DMHAS - Disproportionate Share	105,935,000		105,935,000
Connecticut Home Care Program	25,380,000	1,906,000	27,286,000
Human Resource Development-Hispanic Programs	105,506	-10,000	95,506
Services to the Elderly	6,498,623	-563,729	5,934,894
Safety Net Services	4,288,624	-514,431	3,774,193
Transportation for Employment Independence Program	2,940,430	-147,022	2,793,408
Transitory Rental Assistance	3,420,950	-2,418,138	1,002,812
Refunds of Collections	200,000		200,000
Energy Assistance	2,081,170	-2,081,170	
Services for Persons with Disabilities	6,925,727	-1,347,175	5,578,552
Child Care Services - TANF/CCDBG	115,474,708	-2,620,568	112,854,140
Nutrition Assistance	95,617		95,617
Housing/Homeless Services	25,392,337	129,112	25,521,449

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Employment Opportunities	871,135		871,135
Human Resource Development	3,827,696	-441,385	3,386,311
Child Day Care	3,677,350	-183,868	3,493,482
Independent Living Centers	729,444	-72,944	656,500
AIDS Drug Assistance	615,917		615,917
Disproportionate Share - Medical Emergency Assistance	85,000,000		85,000,000
DSH - Urban Hospitals in Distressed Municipalities	15,000,000	15,000,000	30,000,000
State Administered General Assistance	101,442,033	841,894	102,283,927
School Readiness	3,850,000	-242,500	3,607,500
Connecticut Children's Medical Center	7,000,000		7,000,000
Community Services	354,187	-354,187	
PAYMENTS TO LOCAL GOVERNMENTS			
Child Day Care	3,629,725		3,629,725
Human Resource Development	77,666	-7,767	69,899
Human Resource Development-Hispanic Programs	12,150	-1,215	10,935
Teen Pregnancy Prevention	1,192,420	-87,242	1,105,178
Services to the Elderly	49,236		49,236
Housing/Homeless Services	592,427		592,427
AGENCY TOTAL	3,659,820,806	36,179,399	3,696,000,205
TOTAL	3,659,820,806	36,179,399	3,696,000,205
HUMAN SERVICES			

EDUCATION, MUSEUMS, LIBRARIES

DEPARTMENT OF EDUCATION

Personal Services	117,508,537	3,140,785	120,649,322
Other Expenses	12,325,909	538,046	12,863,955
Equipment	60,500		60,500
Institutes for Educators	305,600	-30,560	275,040
Basic Skills Exam Teachers in Training	1,207,821		1,207,821
Teachers' Standards Implementation Program	3,527,796		3,527,796
Early Childhood Program	2,817,035		2,817,035
Development of Mastery Exams Grades 4, 6 and 8	6,879,931		6,879,931
Primary Mental Health	507,980	50,000	557,980
Adult Education Action	285,000		285,000
Vocational Technical School Textbooks	800,000		800,000
Repair of Instructional Equipment	737,500	-73,750	663,750
Minor Repairs to Plant	550,000	-50,000	500,000
Connecticut Pre-Engineering Program	400,000	-40,000	360,000
Contracting Instructional TV Services	209,000	-20,900	188,100
Jobs for Connecticut Graduates	275,000	-27,500	247,500
Hartford Public School Monitors	260,000	-260,000	
Developmentally Disabled Settlement	435,000		435,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
American School for the Deaf	7,636,295		7,636,295
RESC Leases	2,300,000	-1,106,663	1,193,337
Regional Education Services	3,297,384	-329,738	2,967,646
Omnibus Education Grants State Supported Schools	2,829,000	700,000	3,529,000
Head Start Services	3,100,000		3,100,000
Head Start Enhancement	2,000,000		2,000,000
Family Resource Centers	6,132,500		6,132,500

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Nutmeg Games	50,000		50,000
Charter Schools	16,254,000		16,254,000
PAYMENTS TO LOCAL GOVERNMENTS			
Vocational Agriculture	2,816,700	-281,670	2,535,030
Transportation of School Children	50,000,000	-2,200,000	47,800,000
Adult Education	18,600,000	-800,000	17,800,000
Health and Welfare Services Pupils Private Schools	4,000,000		4,000,000
Education Equalization Grants	1,515,500,000	-46,000,000	1,469,500,000
Bilingual Education	2,359,087		2,359,087
Priority School Districts	81,622,258		81,622,258
Young Parents Program	259,080	-25,908	233,172
Interdistrict Cooperation	12,960,424		12,960,424
School Breakfast Program	1,559,805		1,559,805
Excess Cost - Student Based	69,000,000	2,000,000	71,000,000
Excess Cost - Equity	7,500,000	-7,500,000	
Non-Public School Transportation	5,300,000	-590,000	4,710,000
School to Work Opportunities	250,000	-25,000	225,000
Extended School Hours and Support Programs	79,751		79,751
Youth Service Bureaus	2,927,612		2,927,612
OPEN Choice Program	8,740,000		8,740,000
Lighthouse Schools	300,000		300,000
Transitional School Districts	1,000,000	-1,000,000	
Early Reading Success	2,236,461		2,236,461
Magnet Schools	45,188,220		45,188,220
AGENCY TOTAL	2,024,891,186	-53,932,858	1,970,958,328
BOARD OF EDUCATION AND SERVICES FOR THE BLIND			
Personal Services	5,325,390	89,600	5,414,990
Other Expenses	1,535,218		1,535,218
Equipment	1,000		1,000
Educational Aid for Blind and Visually Handicapped Children		7,476,945	7,476,945
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Supplementary Relief and Services	123,350		123,350
Education of Handicapped Blind Children	5,738,166	-5,738,166	
Vocational Rehabilitation	1,004,522		1,004,522
Education of Pre-School Blind Children	124,887	-124,887	
Special Training for the Deaf Blind	354,540		354,540
Connecticut Radio Information Service	44,477		44,477
PAYMENTS TO LOCAL GOVERNMENTS			
Services for Persons with Impaired Vision	442,672	-442,672	
Tuition and Services-Public School Children	1,171,220	-1,171,220	
AGENCY TOTAL	15,865,442	89,600	15,955,042
COMMISSION ON THE DEAF AND HEARING IMPAIRED			
Personal Services	817,585	-50,000	767,585
Other Expenses	165,686		165,686
Equipment	1,000		1,000
Part-time Interpreters	200,000		200,000
AGENCY TOTAL	1,184,271	-50,000	1,134,271
STATE LIBRARY			
Personal Services	6,432,563		6,432,563
Other Expenses	903,615		903,615
Equipment	1,000		1,000

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Statewide Digital Library		618,229	618,229
Interlibrary Loan Delivery Service	255,555		255,555
Voices of Children - Parent Academy	50,000		50,000
Legal/Legislative Library Materials	758,573	-37,929	720,644
Statewide Data Base Program	758,969	-37,948	721,021
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Basic Cultural Resources Grant	2,903,311	-340,332	2,562,979
Support Cooperating Library Service Units	777,674		777,674
Connecticut Educational Telecommunications Corporation	753,358		753,358
PAYMENTS TO LOCAL GOVERNMENTS			
Grants to Public Libraries	472,109	-25,000	447,109
Connecticard Payments	726,028	-50,000	676,028
AGENCY TOTAL	<u>14,792,755</u>	<u>127,020</u>	<u>14,919,775</u>
DEPARTMENT OF HIGHER EDUCATION			
Personal Services	2,374,446	-27,967	2,346,479
Other Expenses	210,134	-7,700	202,434
Equipment	1,000		1,000
Minority Advancement Program	2,656,242	-132,812	2,523,430
Alternate Route to Certification	27,033		27,033
National Service Act	501,312	-25,066	476,246
International Initiatives	350,000	-125,000	225,000
Minority Teacher Incentive Program	541,500	-27,075	514,425
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Capitol Scholarship Program	5,415,182	-165,182	5,250,000
Awards to Children of Deceased/Disabled Veterans	6,000	-2,000	4,000
Connecticut Independent College Student Grant	18,776,929	-2,630,874	16,146,055
Connecticut Aid for Public College Students	19,759,261		19,759,261
New England Board of Higher Education		369,898	369,898
AGENCY TOTAL	<u>50,619,039</u>	<u>-2,773,778</u>	<u>47,845,261</u>
UNIVERSITY OF CONNECTICUT			
Operating Expenses	192,168,592	-4,881,064	187,287,528
Tuition Freeze	4,991,458		4,991,458
Regional Campus Enhancement	6,700,000	-209,500	6,490,500
AGENCY TOTAL	<u>203,860,050</u>	<u>-5,090,564</u>	<u>198,769,486</u>
UNIVERSITY OF CONNECTICUT HEALTH CENTER			
Operating Expenses	76,134,980	-1,000,876	75,134,104
AHEC for Bridgeport	155,707		155,707
AGENCY TOTAL	<u>76,290,687</u>	<u>-1,000,876</u>	<u>75,289,811</u>
CHARTER OAK STATE COLLEGE			
Operating Expenses	1,400,825	-40,000	1,360,825
Distance Learning Consortium	578,438	446,348	1,024,786
AGENCY TOTAL	<u>1,979,263</u>	<u>406,348</u>	<u>2,385,611</u>
TEACHERS' RETIREMENT BOARD			
Personal Services	1,679,755		1,679,755
Other Expenses	762,046		762,046
Equipment	1,000		1,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Retirement Contributions	214,737,033		214,737,033

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Retirees Health Service Cost	7,187,896	-450,000	6,737,896
Municipal Retiree Health Insurance Costs	5,649,600	-350,000	5,299,600
AGENCY TOTAL	230,017,330	-800,000	229,217,330
COMMUNITY - TECHNICAL COLLEGES			
Operating Expenses	129,270,333	-5,504,298	123,766,035
Tuition Freeze	2,274,658		2,274,658
Woodland Street Operating Expenses		516,293	516,293
AGENCY TOTAL	131,544,991	-4,988,005	126,556,986
CONNECTICUT STATE UNIVERSITY			
Operating Expenses	138,491,264	-2,788,202	135,703,062
Tuition Freeze	6,904,180		6,904,180
Waterbury-based Degree Program	861,704	-37,327	824,377
AGENCY TOTAL	146,257,148	-2,825,529	143,431,619
TOTAL	2,897,302,162	-70,838,642	2,826,463,520
EDUCATION, MUSEUMS, LIBRARIES			
<u>CORRECTIONS</u>			
DEPARTMENT OF CORRECTION			
Personal Services	348,787,502	3,073,695	351,861,197
Other Expenses	68,651,710	317,749	68,969,459
Equipment	99,604	121,000	220,604
Out of State Beds	12,305,406		12,305,406
Community Justice Center	5,000,000		5,000,000
Workers' Compensation Claims	16,339,142	2,253,513	18,592,655
Inmate Medical Services	74,966,615	353,293	75,319,908
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Aid to Paroled and Discharged Inmates	50,000	-2,500	47,500
Legal Services to Prisoners	780,300		780,300
Volunteer Services	192,620		192,620
Community Residential Services	17,579,180	-9,478	17,569,702
Community Non-Residential Services	1,395,451	17,215	1,412,666
AGENCY TOTAL	546,147,530	6,124,487	552,272,017
BOARD OF PARDONS			
Other Expenses	34,141		34,141
Equipment	100		100
AGENCY TOTAL	34,241		34,241
BOARD OF PAROLE			
Personal Services	5,130,878	200,420	5,331,298
Other Expenses	1,247,829	105,450	1,353,279
Equipment	16,609	8,300	24,909
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Community Residential Services	1,872,437	84,325	1,956,762
Community Non-Residential Services	1,970,808	61,717	2,032,525
AGENCY TOTAL	10,238,561	460,212	10,698,773
DEPARTMENT OF CHILDREN AND FAMILIES			
Personal Services	214,554,699	-1,500,000	213,054,699

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Other Expenses	31,201,153	5,177,382	36,378,535
Equipment	1,000		1,000
Short Term Residential Treatment	649,242	7,503	656,745
Private Provider Supplemental Rates		933,468	933,468
Substance Abuse Screening	1,768,832	-46,558	1,722,274
Workers' Compensation Claims	2,970,057	1,047,696	4,017,753
Local Systems of Care	1,180,929	13,648	1,194,577
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Health Assessment and Consultation	324,941	-57,796	267,145
Grants for Psychiatric Clinics for Children	13,673,602	142,997	13,816,599
Day Treatment Centers for Children	5,693,910	63,340	5,757,250
Juvenile Justice Outreach Services	1,828,827	810,662	2,639,489
Child Abuse and Neglect Intervention	5,552,415	-166,181	5,386,234
Community Emergency Services	176,576	2,041	178,617
Community Based Prevention Programs	2,750,117	31,770	2,781,887
Family Violence Outreach and Counseling	498,759	5,768	504,527
Support for Recovering Families	1,757,793	18,887	1,776,680
No Nexus Special Education	6,183,750	-233,153	5,950,597
Family Preservation Services	6,501,272	71,391	6,572,663
Substance Abuse Treatment	2,687,538	571,060	3,258,598
Child Welfare Support Services	598,776	-244,284	354,492
Board and Care for Children - Adoption	40,534,633	349,861	40,884,494
Board and Care for Children - Foster	75,603,518	3,402,150	79,005,668
Board and Care for Children - Residential	139,678,045	-9,582,652	130,095,393
Individualized Family Supports	3,656,365	3,930,098	7,586,463
Community KidCare	14,884,257	-58,000	14,826,257
AGENCY TOTAL	574,911,006	4,691,098	579,602,104
COUNCIL TO ADMINISTER THE CHILDREN'S TRUST FUND			
Children's Trust Fund	6,341,951	-548,357	5,793,594
AGENCY TOTAL	6,341,951	-548,357	5,793,594
COUNTY SHERIFFS			
Personal Services	7		7
AGENCY TOTAL	7		7
TOTAL CORRECTIONS	1,137,673,296	10,727,440	1,148,400,736
<u>JUDICIAL</u>			
JUDICIAL DEPARTMENT			
Personal Services	212,044,385	28,575,987	240,620,372
Other Expenses	57,895,719	3,602,432	61,498,151
Equipment	2,191,808	50,000	2,241,808
Alternative Incarceration Program	35,250,737	-175,153	35,075,584
Justice Education Center, Inc.	232,402	-8,434	223,968
Juvenile Alternative Incarceration	21,658,026	267,188	21,925,214
Juvenile Justice Centers	2,847,224	35,125	2,882,349
Probate Court	500,000	-500,000	
Truancy Services	1,029,994	-664,549	365,445
Sheriffs Transition Account	30,840,037	-30,840,037	

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
AGENCY TOTAL	364,490,332	342,559	364,832,891
STATE MARSHAL COMMISSION			
Personal Services	173,383		173,383
Other Expenses	55,000		55,000
Equipment	100		100
AGENCY TOTAL	228,483		228,483
PUBLIC DEFENDER SERVICES COMMISSION			
Personal Services	26,923,750	-24,806	26,898,944
Other Expenses	1,372,816		1,372,816
Equipment	74,655		74,655
Special Public Defenders - Contractual	2,060,000		2,060,000
Special Public Defenders - Non-Contractual	3,057,677		3,057,677
Expert Witnesses	1,096,335		1,096,335
Training and Education	85,795		85,795
AGENCY TOTAL	34,671,028	-24,806	34,646,222
TOTAL JUDICIAL	399,389,843	317,753	399,707,596
<u>NON- FUNCTIONAL</u>			
MISCELLANEOUS APPROPRIATION TO THE GOVERNOR			
Governor's Contingency Account	17,100		17,100
AGENCY TOTAL	17,100		17,100
DEBT SERVICE - STATE TREASURER OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Debt Service	989,554,225	-19,810,723	969,743,502
UConn 2000 Debt Service	68,107,093	-1,172,556	66,934,537
CHEFA Day Care Security	2,500,000		2,500,000
AGENCY TOTAL	1,060,161,318	-20,983,279	1,039,178,039
RESERVE FOR SALARY ADJUSTMENTS			
Reserve for Salary Adjustments	34,046,700	11,625,400	45,672,100
AGENCY TOTAL	34,046,700	11,625,400	45,672,100
WORKERS' COMPENSATION CLAIMS - DEPARTMENT OF ADMINISTRATIVE SERVICES			
Workers' Compensation Claims	10,819,776	1,695,864	12,515,640
AGENCY TOTAL	10,819,776	1,695,864	12,515,640
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER			
JUDICIAL REVIEW COUNCIL			
Personal Services	121,895		121,895
Other Expenses	32,959		32,959
Equipment	1,000		1,000
AGENCY TOTAL	155,854		155,854
FIRE TRAINING SCHOOLS OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
Willimantic	81,650		81,650
Torrington	55,050		55,050
New Haven	36,850		36,850
Derby	36,850		36,850
Wolcott	48,300		48,300
Fairfield	36,850		36,850
Hartford	65,230		65,230
Middletown	28,610		28,610
AGENCY TOTAL	<u>389,390</u>		<u>389,390</u>
MAINTENANCE OF COUNTY BASE FIRE RADIO NETWORK OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Maintenance of County Base Fire Radio Network	21,850		21,850
AGENCY TOTAL	<u>21,850</u>		<u>21,850</u>
MAINTENANCE OF STATEWIDE FIRE RADIO NETWORK OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Maintenance of State-Wide Fire Radio Network	14,570		14,570
AGENCY TOTAL	<u>14,570</u>		<u>14,570</u>
EQUAL GRANTS TO THIRTY-FOUR NONPROFIT GENERAL HOSPITALS OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Equal Grants to Thirty-Four Non-profit General Hospitals	34		34
AGENCY TOTAL	<u>34</u>		<u>34</u>
POLICE ASSOCIATION OF CONNECTICUT OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Police Association of Connecticut	169,100		169,100
AGENCY TOTAL	<u>169,100</u>		<u>169,100</u>
CONNECTICUT STATE FIREFIGHTERS ASSOCIATION OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Connecticut State Firefighters Association	197,676		197,676
AGENCY TOTAL	<u>197,676</u>		<u>197,676</u>
INTERSTATE ENVIRONMENTAL COMMISSION OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Interstate Environmental Commission	86,250		86,250
AGENCY TOTAL	<u>86,250</u>		<u>86,250</u>
REIMBURSEMENTS TO TOWNS FOR LOSS OF TAXES ON STATE PROPERTY PAYMENTS TO LOCAL GOVERNMENTS			
Reimbursement to Towns for Loss of Taxes on State Property	63,778,364		63,778,364
AGENCY TOTAL	<u>63,778,364</u>		<u>63,778,364</u>
REIMBURSEMENTS TO TOWNS FOR LOSS OF TAXES ON PRIVATE TAX-EXEMPT PROPERTY PAYMENTS TO LOCAL GOVERNMENTS			
Reimbursements to Towns for Loss of Taxes on Private Tax- Exempt Property	97,163,154		97,163,154
AGENCY TOTAL	<u>97,163,154</u>		<u>97,163,154</u>

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
UNEMPLOYMENT COMPENSATION			
Other Expenses	3,340,000		3,340,000
AGENCY TOTAL	<u>3,340,000</u>		<u>3,340,000</u>
STATE EMPLOYEES RETIREMENT CONTRIBUTIONS			
Other Expenses	285,694,490		285,694,490
AGENCY TOTAL	<u>285,694,490</u>		<u>285,694,490</u>
HIGHER EDUCATION ALTERNATIVE RETIREMENT			
Other Expenses	16,634,046		16,634,046
AGENCY TOTAL	<u>16,634,046</u>		<u>16,634,046</u>
PENSIONS AND RETIREMENTS - OTHER STATUTORY			
Other Expenses	1,765,000		1,765,000
AGENCY TOTAL	<u>1,765,000</u>		<u>1,765,000</u>
JUDGES AND COMPENSATION COMMISSIONERS RETIREMENT			
Other Expenses	10,125,658		10,125,658
AGENCY TOTAL	<u>10,125,658</u>		<u>10,125,658</u>
INSURANCE - GROUP LIFE			
Other Expenses	4,179,615		4,179,615
AGENCY TOTAL	<u>4,179,615</u>		<u>4,179,615</u>
TUITION REIMBURSEMENT - TRAINING AND TRAVEL			
Tuition Reimbursement – Training and Travel	490,000	1,409,500	1,899,500
AGENCY TOTAL	<u>490,000</u>	<u>1,409,500</u>	<u>1,899,500</u>
EMPLOYERS SOCIAL SECURITY TAX			
Other Expenses	183,170,428	671,000	183,841,428
AGENCY TOTAL	<u>183,170,428</u>	<u>671,000</u>	<u>183,841,428</u>
STATE EMPLOYEES HEALTH SERVICE COST			
Other Expenses	289,980,512	1,422,000	291,402,512
AGENCY TOTAL	<u>289,980,512</u>	<u>1,422,000</u>	<u>291,402,512</u>
RETIRED STATE EMPLOYEES HEALTH SERVICE COST			
Other Expenses	232,272,000		232,272,000
AGENCY TOTAL	<u>232,272,000</u>		<u>232,272,000</u>
TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER	1,189,627,991	3,502,500	1,193,130,491
TOTAL NON- FUNCTIONAL	2,294,672,885	-4,159,515	2,290,513,370
TOTAL - GENERAL FUND	12,538,230,964	-45,564,359	12,492,666,605
Legislative Unallocated Lapses	-1,200,000	-1,200,000	-2,400,000
Estimated Unallocated Lapses	-78,000,000		-78,000,000
General Personal Services Reduction	-13,500,000		-13,500,000

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
General Other Expenses Reductions	-11,000,000		-11,000,000
DOIT Lapse	-1,500,000	1,500,000	
Energy Costs	-1,650,000	1,650,000	
 NET - General Fund	 12,431,380,964	 -43,614,359	 12,387,766,605

SPECIAL TRANSPORTATION FUND

GENERAL GOVERNMENT

STATE INSURANCE AND RISK MANAGEMENT BOARD

Other Expenses	2,457,000		2,457,000
AGENCY TOTAL	2,457,000		2,457,000

TOTAL GENERAL GOVERNMENT	2,457,000		2,457,000
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REGULATION AND PROTECTION

DEPARTMENT OF MOTOR VEHICLES

Personal Services	39,622,867	-98,004	39,524,863
Other Expenses	14,030,887	-49,337	13,981,550
Equipment	641,064		641,064
Insurance Enforcement	514,403	60,000	574,403
AGENCY TOTAL	54,809,221	-87,341	54,721,880

TOTAL REGULATION AND PROTECTION	54,809,221	-87,341	54,721,880
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TRANSPORTATION

DEPARTMENT OF TRANSPORTATION

Personal Services	131,450,727		131,450,727
Other Expenses	31,142,486	2,697,032	33,839,518
Equipment	1,500,000		1,500,000
Minor Capital Projects	350,000		350,000
Highway & Bridge Renewal-Equipment	4,000,000		4,000,000
Highway Planning and Research	2,768,418		2,768,418
Handicapped Access Program	8,259,400		8,259,400
Hospital Transit for Dialysis	113,000		113,000
Rail Operations	69,585,798	73,387	69,659,185
Bus Operations	72,128,068		72,128,068
Dial-A-Ride	2,500,000		2,500,000
Highway and Bridge Renewal	12,000,000		12,000,000
AGENCY TOTAL	335,797,897	2,770,419	338,568,316

TOTAL TRANSPORTATION	335,797,897	2,770,419	338,568,316
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*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
<u>NON- FUNCTIONAL</u>			
DEBT SERVICE - STATE TREASURER OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Debt Service	418,206,121	-3,597,590	414,608,531
AGENCY TOTAL	<u>418,206,121</u>	<u>-3,597,590</u>	<u>414,608,531</u>
RESERVE FOR SALARY ADJUSTMENTS			
Reserve for Salary Adjustments	1,454,600	1,809,800	3,264,400
AGENCY TOTAL	<u>1,454,600</u>	<u>1,809,800</u>	<u>3,264,400</u>
WORKERS' COMPENSATION CLAIMS - DEPARTMENT OF ADMINISTRATIVE SERVICES			
Workers' Compensation Claims	3,347,639	27,098	3,374,737
AGENCY TOTAL	<u>3,347,639</u>	<u>27,098</u>	<u>3,374,737</u>
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER			
UNEMPLOYMENT COMPENSATION			
Other Expenses	275,000		275,000
AGENCY TOTAL	<u>275,000</u>		<u>275,000</u>
STATE EMPLOYEES RETIREMENT CONTRIBUTIONS			
Other Expenses	40,214,000		40,214,000
AGENCY TOTAL	<u>40,214,000</u>		<u>40,214,000</u>
INSURANCE - GROUP LIFE			
Other Expenses	240,000		240,000
AGENCY TOTAL	<u>240,000</u>		<u>240,000</u>
EMPLOYERS SOCIAL SECURITY TAX			
Other Expenses	13,432,000		13,432,000
AGENCY TOTAL	<u>13,432,000</u>		<u>13,432,000</u>
STATE EMPLOYEES HEALTH SERVICE COST			
Other Expenses	22,075,300		22,075,300
AGENCY TOTAL	<u>22,075,300</u>		<u>22,075,300</u>
TOTAL	76,236,300		76,236,300
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER			
TOTAL	499,244,660	-1,760,692	497,483,968
NON- FUNCTIONAL			
TOTAL - SPECIAL TRANSPORTATION FUND	892,308,778	922,386	893,231,164
Estimated Unallocated Lapses	-15,000,000		-15,000,000
NET - Special Transportation Fund	877,308,778	922,386	878,231,164

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
MASHANTUCKET PEQUOT AND MOHEGAN FUND			
<u>NON- FUNCTIONAL</u>			
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER			
GRANTS TO TOWNS			
PAYMENTS TO LOCAL GOVERNMENTS			
Grants to Towns	120,000,000	15,000,000	135,000,000
AGENCY TOTAL	120,000,000	15,000,000	135,000,000
TOTAL	120,000,000	15,000,000	135,000,000
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER			
TOTAL	120,000,000	15,000,000	135,000,000
NON- FUNCTIONAL	120,000,000	15,000,000	135,000,000
TOTAL - MASHANTUCKET PEQUOT AND MOHEGAN FUND	120,000,000	15,000,000	135,000,000
 SOLDIERS', SAILORS' AND MARINES' FUND			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF VETERANS' AFFAIRS			
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Burial Expenses	4,500		4,500
Headstones	243,000		243,000
AGENCY TOTAL	247,500		247,500
TOTAL	247,500		247,500
GENERAL GOVERNMENT			
 <u>REGULATION AND PROTECTION</u>			
MILITARY DEPARTMENT			
Honor Guards		225,000	225,000
AGENCY TOTAL		225,000	225,000
TOTAL		225,000	225,000
REGULATION AND PROTECTION			
 <u>HUMAN SERVICES</u>			
SOLDIERS', SAILORS' AND MARINES' FUND			
Personal Services	826,652	-38,464	788,188
Other Expenses	451,985	-15,459	436,526
Equipment	7,500		7,500
Award Payments to Veterans	1,930,000		1,930,000
AGENCY TOTAL	3,216,137	-53,923	3,162,214

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
TOTAL HUMAN SERVICES	3,216,137	-53,923	3,162,214
TOTAL - SOLDIERS', SAILORS' AND MARINES' FUND	3,463,637	171,077	3,634,714
REGIONAL MARKET OPERATION FUND			
<u>CONSERVATION AND DEVELOPMENT</u>			
DEPARTMENT OF AGRICULTURE			
Personal Services	414,345	2,272	416,617
Other Expenses	313,000	27,000	340,000
Equipment	30,000		30,000
AGENCY TOTAL	<u>757,345</u>	<u>29,272</u>	<u>786,617</u>
TOTAL CONSERVATION AND DEVELOPMENT	757,345	29,272	786,617
<u>NON- FUNCTIONAL</u>			
DEBT SERVICE - STATE TREASURER OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS			
Debt Service	143,967		143,967
AGENCY TOTAL	<u>143,967</u>		<u>143,967</u>
TOTAL NON- FUNCTIONAL	143,967		143,967
TOTAL - REGIONAL MARKET OPERATION FUND	901,312	29,272	930,584
BANKING FUND			
<u>REGULATION AND PROTECTION</u>			
DEPARTMENT OF BANKING			
Personal Services	9,078,375	-146,848	8,931,527
Other Expenses	2,390,399	367,548	2,757,947
Equipment	134,100		134,100
Fringe Benefits	3,792,572	-61,515	3,731,057
Indirect Overhead	379,313		379,313
AGENCY TOTAL	<u>15,774,759</u>	<u>159,185</u>	<u>15,933,944</u>
TOTAL REGULATION AND PROTECTION	15,774,759	159,185	15,933,944
TOTAL - BANKING FUND	15,774,759	159,185	15,933,944
INSURANCE FUND			

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
<u>REGULATION AND PROTECTION</u>			
DEPARTMENT OF INSURANCE			
Personal Services	12,197,414	-258,031	11,939,383
Other Expenses	2,957,011		2,957,011
Equipment	197,000		197,000
Fringe Benefits	5,098,620	-106,523	4,992,097
Indirect Overhead	506,360		506,360
AGENCY TOTAL	<u>20,956,405</u>	<u>-364,554</u>	<u>20,591,851</u>
OFFICE OF THE MANAGED CARE OMBUDSMAN			
Personal Services	289,643	10,726	300,369
Other Expenses	300,351	-17,300	283,051
Fringe Benefits	119,277	6,574	125,851
AGENCY TOTAL	<u>709,271</u>	<u></u>	<u>709,271</u>
TOTAL REGULATION AND PROTECTION	21,665,676	-364,554	21,301,122
TOTAL - INSURANCE FUND	21,665,676	-364,554	21,301,122
CONSUMER COUNSEL/PUBLIC UTILITY FUND			
<u>REGULATION AND PROTECTION</u>			
OFFICE OF CONSUMER COUNSEL			
Personal Services	1,396,131	-61,599	1,334,532
Other Expenses	489,924		489,924
Equipment	16,000		16,000
Fringe Benefits	586,196	-26,050	560,146
Indirect Overhead	199,899		199,899
AGENCY TOTAL	<u>2,688,150</u>	<u>-87,649</u>	<u>2,600,501</u>
DEPARTMENT OF PUBLIC UTILITY CONTROL			
Personal Services	11,181,376	-85,533	11,095,843
Other Expenses	2,300,228	-25,467	2,274,761
Equipment	189,810	-5,776	184,034
Fringe Benefits	4,711,159	-36,804	4,674,355
Indirect Overhead	160,469		160,469
Nuclear Energy Advisory Council	12,000		12,000
AGENCY TOTAL	<u>18,555,042</u>	<u>-153,580</u>	<u>18,401,462</u>
TOTAL REGULATION AND PROTECTION	21,243,192	-241,229	21,001,963
TOTAL - CONSUMER COUNSEL/PUBLIC UTILITY FUND	21,243,192	-241,229	21,001,963
WORKERS' COMPENSATION FUND			
<u>REGULATION AND PROTECTION</u>			

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session

PROPOSED APPROPRIATIONS

	2002-2003 Appropriated*	Net Adjustments	2002-2003 Revised Recommendations
DEPARTMENT OF LABOR			
Occupational Health Clinics	706,810		706,810
AGENCY TOTAL	706,810		706,810
WORKERS' COMPENSATION COMMISSION			
Personal Services	9,867,856	-100,000	9,767,856
Other Expenses	3,554,183	-100,000	3,454,183
Equipment	365,500		365,500
Criminal Justice Fraud Unit	450,097		450,097
Rehabilitative Services	4,541,140	-221,149	4,319,991
Fringe Benefits	3,637,683	-36,290	3,601,393
Indirect Overhead	1,613,524		1,613,524
AGENCY TOTAL	24,029,983	-457,439	23,572,544
TOTAL	24,736,793	-457,439	24,279,354
REGULATION AND PROTECTION			
TOTAL - WORKERS' COMPENSATION FUND	24,736,793	-457,439	24,279,354
CRIMINAL INJURIES COMPENSATION FUND			
<u>JUDICIAL</u>			
JUDICIAL DEPARTMENT			
Criminal Injuries Compensation Fund	1,500,000		1,500,000
AGENCY TOTAL	1,500,000		1,500,000
TOTAL	1,500,000		1,500,000
JUDICIAL			
TOTAL - CRIMINAL INJURIES COMPENSATION FUND	1,500,000		1,500,000

*Special Act 01-1 as amended by Public Acts 01-2, 01-3, 01-4, 01-5 and 01-9 all of the June Special Session



SECTION D - CAPITAL PROGRAM

CAPITAL BUDGET 1991-2003

RECOMMENDED EXECUTIVE

<u>F.Y.</u>	<u>G.O.</u>	<u>UConn</u>	<u>STOB</u>	<u>REVENUE</u>	<u>TIF</u>	<u>TOTAL (NET)</u>
1990-91	\$ 1,069,280,000	0	325,720,000	100,000,000	0	\$ 1,495,000,000
1991-92	\$ 494,535,000	0	399,465,000	104,000,000	0	\$ 998,000,000
1992-93	\$ 723,836,828	0	244,135,000	30,000,000	0	\$ 997,971,828
1993-94	\$ 733,694,284	0	172,267,104	93,800,000	0	\$ 999,761,388
1994-95	\$ 757,661,112	0	190,575,000	51,600,000	0	\$ 999,836,112
1995-96	\$ 250,592,000	0	194,300,000	55,100,000	0	\$ 499,992,000
1996-97	\$ 285,807,350	0	193,800,000	42,450,000	0	\$ 522,057,350
1997-98	\$ 503,581,149	0	135,825,000	151,300,000	0	\$ 790,706,149
1998-99	\$ 1,253,497,298	0	175,500,000	213,300,000	0	\$ 1,642,297,298
1999-00	\$ 986,247,395	0	193,110,000	68,000,000	0	\$ 1,247,357,395
2000-01	\$ 1,139,578,433	0	155,191,000	106,900,000	0	\$ 1,401,669,433
2001-02	\$ 1,020,291,616	0	195,900,000	81,000,000	0	\$ 1,297,191,616
2002-03	\$ 1,129,734,846	0	211,000,000	158,000,000	0	\$ 1,498,734,846

ENACTED GENERAL ASSEMBLY

1990-91	\$ 1,155,156,004		451,265,000	100,000,000		\$ 1,706,421,004
1991-92	\$ 590,943,684		419,465,000	104,000,000		\$ 1,114,408,684
1992-93	\$ 616,187,483		244,135,000	30,000,000		\$ 890,322,483
1993-94	\$ 1,045,791,809		172,267,104	93,800,000		\$ 1,311,858,913
1994-95	\$ 766,636,562		190,575,000	43,100,000		\$ 1,000,311,562
1995-96	\$ 209,333,857	112,542,000	173,150,000	125,400,000		\$ 620,425,857
1996-97	\$ 523,785,250	112,001,000	189,800,000	41,000,000		\$ 866,586,250
1997-98	\$ 570,660,255	93,146,000	144,825,000	211,300,000		\$ 1,019,931,255
1998-99	\$ 812,757,747	64,311,000	186,500,000	213,300,000	148,000,000	\$ 1,424,868,747
1999-00	\$ 1,183,159,531	130,000,000	208,010,000	84,600,000	0	\$ 1,605,769,531
2000-01	\$ 1,237,833,458	100,000,000	155,191,000	106,900,000	0	\$ 1,599,924,458
2001-02	\$ 1,181,743,741	100,000,000	207,900,000	81,000,000	0	\$ 1,570,643,741
2002-03	\$ 1,101,070,100	100,000,000	196,000,000	158,000,000	0	\$ 1,555,070,100

* The Recommended Executive totals do not include amounts authorized for the UConn 2000 Infrastructure Improvement Program, authorizations for the Capital City Economic Development Authority, and for a grant to New London for economic development.

** Does not include \$1 billion of Unemployment Compensation Bonds and certain other revenue bonds.

*** P.A. 98-179 specifically authorizes certain tax incremental financing projects in Bridgeport and New Haven.

TAX REFORM ACT OF 1986

The Tax Reform Act of 1986, as amended, severely restricts the flexibility of the State in issuing tax-exempt bonds and establishes new tests for the tax-exemption of interest on bonds issued by governmental units. Therefore, the recommended bond authorizations on the following pages may not all be issued as tax-exempt due to the Act redefining what constitutes governmental bonds.

STATUTORY DEBT LIMIT

Section 3-21 of the General Statutes, as amended, provides that "No bonds, notes or other evidences of indebtedness for borrowed money payable from General Fund tax receipts of the State shall be authorized by the general assembly except such as shall not cause the aggregate amount of (1) the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the general assembly but which have not been issued and (2) the total amount of such indebtedness which has been issued and remains outstanding, to exceed one and six-tenths times the total general fund tax receipts of the state for the fiscal year in which any such authorization will become effective, as estimated for such fiscal year by the joint standing committee of the general assembly having cognizance of finance, revenue and bonding in accordance with section 2-35. In computing such aggregate amount of indebtedness at any time, there shall be excluded or deducted, as the case may be, (1) the principal amount of all such obligations as may be certified by the treasurer (A) as issued in anticipation of revenues to be received by the state during the period of 12 calendar months next following their issuance and to be paid by application of such revenue or (B) as issued to refund or replace any such indebtedness then existing and outstanding in an amount not exceeding such existing indebtedness or (C) as issued and outstanding in anticipation of particular bonds then unissued but fully authorized to be issued in the manner provided by law for such authorization, provided, so long as any of said obligations are outstanding, the entire principal amount of such particular bonds thus authorized shall be deemed to be outstanding and be included in such aggregate amount of indebtedness or (D) as payable solely from revenues of particular public improvements, (2) the amount which may be certified by the treasurer as the aggregate value of cash and securities in debt retirement funds of the state to be used to meet principal of outstanding obligations included in such aggregate amount of indebtedness, (3) every such amount as may be certified by the secretary of the office of policy and management as the estimated payments on account of the costs of any public work or improvement thereafter to be received by the state from the United States or agencies thereof and to be used, in conformity with applicable federal law, to meet principal of obligations included in such aggregate amount of indebtedness, and (4) all authorized and issued indebtedness to fund any budget deficits of the State for any fiscal year ending on or before June 30, 1991, and (5) all authorized indebtedness to fund the program created pursuant to section 32-285. In computing the amount of outstanding indebtedness, only the accreted value of any capital appreciation obligation or any zero coupon obligation which has accreted and been added to the stated initial value of such obligation as of the date of any computation shall be included."

The debt-incurring margin as of July 1, 2002 is calculated below.

	<u>FY 2003</u>
Revenues	\$ 8,772,800,000
Multiplier	1.6
Limit	\$14,036,480,000
Bonds Subject to Limit	\$12,483,439,416 *
Debt Incurring Margin	\$ 1,553,040,584

In accordance with the General Statutes, the Treasurer shall compute the aggregate amount of indebtedness as of January 1, and July 1 each year and shall certify the results of such computation to the Governor and the General Assembly. If the aggregate amount of indebtedness reaches 90% of the statutory debt limit, the Governor shall review each bond act for which no bonds, notes or other evidences of indebtedness have been issued, and recommend to the General Assembly priorities for repealing authorizations for remaining projects.

*Does not include Tax Incremental Financings, Special Transportation, Bradley Airport, Clean Water Fund Revenue or Connecticut Unemployment Revenue Bonds.

FISCAL YEAR 2003 CAPITAL PROGRAM

New Facilities, Additions to Existing Facilities, and Other Projects

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
SUMMARY OF CAPITAL PROJECTS BY FUNCTION OF GOVERNMENT:					
<u>Function of Government</u>					
General Government	\$2,069,916,043	\$1,756,316,043	\$225,600,000	\$88,000,000	\$313,600,000
Conservation and Development	3,747,891,031	3,422,341,031	338,550,000	-13,000,000	325,550,000
Health and Hospitals	247,851,214	239,351,214	8,500,000	0	8,500,000
Transportation	4,629,221,700	4,418,221,700	196,000,000	15,000,000	211,000,000
Education	2,441,420,292	1,736,000,192	653,420,100	52,000,000	705,420,100
Corrections	31,909,387	28,909,387	3,000,000	0	3,000,000
Judicial	125,068,758	97,568,758	27,500,000	0	27,500,000
Non-Functional	17,088,000	14,588,000	2,500,000	0	2,500,000
SUB-TOTAL - All Agencies	\$13,310,366,425	\$11,713,296,325	\$1,455,070,100	\$142,000,000	\$1,597,070,100
Less: Reductions/Cancellations of Prior Authorizations				-169,607,254	-169,607,254
<u>Authorized</u>					
UConn 2000 Program	812,000,000	712,000,000	100,000,000	0	100,000,000
GRAND TOTAL	\$14,122,366,425	\$12,425,296,325	\$1,555,070,100	-\$27,607,254	\$1,527,462,846

SUMMARY OF FINANCING:

<u>Requested/Recommended</u>					
General Obligation Bonds	\$7,442,744,725	\$6,214,674,625	\$1,101,070,100	\$127,000,000	\$1,228,070,100
Less: Reductions/Cancellations of Prior Authorizations				-\$169,607,254	-\$169,607,254
SUB-TOTAL - Net G. O. Bonds	\$7,442,744,725	\$6,214,674,625	\$1,101,070,100	-\$42,607,254	\$1,058,462,846
Revenue Bonds	\$1,238,400,000	\$1,080,400,000	\$158,000,000	\$0	\$158,000,000
Special Tax Obligation Bonds	\$4,629,221,700	\$4,418,221,700	\$196,000,000	\$15,000,000	\$211,000,000
<u>Authorized</u>					
UConn 2000 Program	\$812,000,000	\$712,000,000	\$100,000,000	\$0	\$100,000,000
GRAND TOTAL	\$14,122,366,425	\$12,425,296,325	\$1,555,070,100	-\$27,607,254	\$1,527,462,846

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
GENERAL GOVERNMENT					
State Comptroller					
Development and implementation of a core financial systems project	\$ 85,000,000	\$ 50,000,000	\$ 0	\$ 35,000,000	\$ 35,000,000
TOTAL - State Comptroller	\$ 85,000,000	\$ 50,000,000	\$ 0	\$ 35,000,000	\$ 35,000,000
Office of Policy and Management					
Capital Equipment Purchase Fund	\$ 232,500,000	\$ 210,500,000	\$ 17,000,000	\$ 5,000,000	\$ 22,000,000
Development of a Criminal Justice Information System, including an offender-based tracking system, mobile data communications, a new automated fingerprint identification system, a new COLLECT system, and related support systems for state/municipal law enforcement and justice agencies	\$ 42,000,000	\$ 38,400,000	\$ 3,600,000	\$ 0	\$ 3,600,000
Grants-in-aid for urban development projects, including economic and community development, transportation, environmental protection, public safety, children and families, and social services projects and programs	\$ 825,300,000	\$ 685,300,000	\$ 140,000,000	\$ 0	\$ 140,000,000
Grants-in-aid to municipalities for local capital improvements program	\$ 470,000,000	\$ 440,000,000	\$ 30,000,000	\$ 0	\$ 30,000,000
Grants-in-aid for small town economic assistance program	\$ 40,000,000	\$ 20,000,000	\$ 20,000,000	\$ 0	\$ 20,000,000
Development of an integrated computerized revenue management system for the Department of Revenue Services-Phase I	\$ 21,850,000	\$ 18,850,000	\$ 0	\$ 3,000,000	\$ 3,000,000
TOTAL - Office of Policy and Management	\$ 1,631,650,000	\$ 1,413,050,000	\$ 210,600,000	\$ 8,000,000	\$ 218,600,000
Department of Information Technology					
Development and implementation of information technology systems for compliance with the Health Insurance Portability and Accountability Act (HIPAA)	\$ 30,000,000	\$ 0	\$ 0	\$ 30,000,000	\$ 30,000,000
Development and implementation of the Connecticut Education Network	\$ 14,500,000	\$ 4,500,000	\$ 0	\$ 10,000,000	\$ 10,000,000
TOTAL - Department of Information Technology	\$ 44,500,000	\$ 4,500,000	\$ 0	\$ 40,000,000	\$ 40,000,000
Department of Public Works					
Infrastructure repairs and improvements, including fire, safety and compliance with the Americans with Disabilities Act and the Occupational Safety and Health Act, including renovations or expansions of state-owned buildings, and improvements to state-owned buildings and grounds, including energy conservation and preservation of unoccupied buildings, AND FOR DEVELOPMENT OF STATE OFFICE FACILITIES, AND OR FOR ADDITIONAL PARKING	\$ 179,766,043	\$ 167,766,043	\$ 10,000,000	\$ 2,000,000	\$ 12,000,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
Removal or encapsulation of asbestos in state-owned buildings Total Est. Cost \$126,000,000	\$ 116,000,000	\$ 111,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
Various security improvements	\$ 13,000,000	\$ 10,000,000	\$ 0	\$ 3,000,000	\$ 3,000,000
TOTAL - Department of Public Works	\$ 308,766,043	\$ 288,766,043	\$ 15,000,000	\$ 5,000,000	\$ 20,000,000
TOTAL - GENERAL GOVERNMENT	\$ 2,069,916,043	\$ 1,756,316,043	\$ 225,600,000	\$ 88,000,000	\$ 313,600,000
CONSERVATION AND DEVELOPMENT					
Department of Agriculture					
Purchase of development rights of farmland to preserve agricultural lands Total Est. Cost \$121,750,000	\$ 87,750,000	\$ 85,750,000	\$ 2,000,000	\$ 0	\$ 2,000,000
State matching grants-in-aid to farmers for environmental compliance, including waste management facilities, compost, soil and erosion control, pesticide reduction, storage and disposal Est. Fed. Funds \$1,000,000; Other Funds \$1,000,000	\$ 2,800,000	\$ 2,300,000	\$ 500,000	\$ 0	\$ 500,000
Grants-in-aid for a farm reinvestment program for the expansion of or improvements to working farms in accordance with a business plan to keep the farms on-going for at least ten years, grants-in-aid not exceeding \$40,000 per farm	\$ 2,000,000	\$ 1,500,000	\$ 500,000	\$ 0	\$ 500,000
TOTAL - Department of Agriculture	\$ 92,550,000	\$ 89,550,000	\$ 3,000,000	\$ 0	\$ 3,000,000
Department of Environmental Protection					
Recreation and natural heritage trust program for recreation, open space, resource protection and resource management Total Est. Cost \$237,390,091	\$ 162,390,091	\$ 137,390,091	\$ 25,000,000	\$ 0	\$ 25,000,000
Alterations, renovations and new construction at state parks and other recreation facilities, including Americans with Disabilities Act improvements Total Est. Cost \$115,000,000	\$ 58,000,000	\$ 48,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000
Dam repairs, including state-owned dams	\$ 36,134,011	\$ 32,634,011	\$ 0	\$ 3,500,000	\$ 3,500,000
Various flood control improvements, flood repair, erosion damage repairs and municipal dam repairs	\$ 22,644,453	\$ 21,644,453	\$ 1,000,000	\$ 0	\$ 1,000,000
Grants-in-aid for acquisition of open space for conservation and recreation purposes Total Est. Cost \$106,000,000	\$ 61,000,000	\$ 46,000,000	\$ 15,000,000	\$ 0	\$ 15,000,000
Lakes Restoration program in accordance with sections 22a-339a to 22a-339e, inclusive, of the general statutes	\$ 2,795,500	\$ 2,545,500	\$ 250,000	\$ 0	\$ 250,000
Grants-in-aid to state agencies, regional planning agencies and municipalities for water pollution control projects	\$ 29,275,369	\$ 25,975,369	\$ 0	\$ 3,300,000	\$ 3,300,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
Grants-in-aid or loans to municipalities for acquisition of land, for public parks, recreational and water quality improvements, water mains, and water pollution control facilities, including sewer projects, provided not more than \$5,000,000 of said amount shall be used to abate pollution from combined sewer and stormwater runoff overflows to the Connecticut River	\$ 90,400,000	\$ 73,400,000	\$ 15,000,000	\$ 2,000,000	\$ 17,000,000
Grants-in-aid and low interest revolving loans financed from General Obligation Bonds of the clean water fund, including Long Island Sound clean-up, and the Safe Drinking Water program	\$ 811,544,101	\$ 808,344,101	\$ 40,000,000	\$ -36,800,000	\$ 3,200,000
Low interest revolving loans financed from Revenue Bonds of the clean water fund, including Long Island Sound clean-up, and the Safe Drinking Water program	\$1,238,400,000	\$ 1,080,400,000	\$ 158,000,000	\$ 0	\$ 158,000,000
State-wide aerial photography	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000	\$ 3,500,000
Financing for the residential underground storage tank replacement program	\$ 13,600,000	\$ 8,100,000	\$ 0	\$ 5,500,000	\$ 5,500,000
TOTAL - Department of Environmental Protection	\$ 2,529,683,525	\$ 2,284,433,525	\$ 264,250,000	\$ -19,000,000	\$ 245,250,000
Connecticut Historical Commission					
Grants-in-aid for the restoration and preservation of historic structures and landmarks	\$ 3,300,000	\$ 3,000,000	\$ 300,000	\$ 0	\$ 300,000
TOTAL - Connecticut Historical Commission	\$ 3,300,000	\$ 3,000,000	\$ 300,000	\$ 0	\$ 300,000
Dept-Economic & Community Develop					
Various housing projects and programs	\$ 422,757,506	\$ 412,757,506	\$ 10,000,000	\$ 0	\$ 10,000,000
Grants-in-aid for urban economic and community development projects	\$ 81,300,000	\$ 79,300,000	\$ 2,000,000	\$ 0	\$ 2,000,000
Grant-in-aid to the City of Norwalk for various economic and community development projects including improvements to the downtown area	\$ 20,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000
Manufacturing Assistance Act-Economic development and manufacturing assistance and defense diversification fund including grants, extensions of credit, loans or loan guarantees or combinations thereof	\$ 525,300,000	\$ 495,300,000	\$ 30,000,000	\$ 0	\$ 30,000,000
Grants-in-aid to municipalities and nonprofit organizations that are exempt under section 501(c)(3) of the Internal Revenue Code, for cultural and entertainment-related economic development projects, including museums	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
Regional Economic Development Program, state matching funds for the cost of regional economic planning, including grants to regional organizations for purposes of economic development	\$ 3,000,000	\$ 3,000,000	\$ 4,000,000	\$ -4,000,000	\$ 0
Grant-in-aid to Bridgeport for the remediation of the waterfront including any predevelopment costs	\$ 10,000,000	\$ 0	\$ 0	\$ 10,000,000	\$ 10,000,000
TOTAL - Dept-Economic & Community Develop	\$ 1,072,357,506	\$ 1,005,357,506	\$ 61,000,000	\$ 6,000,000	\$ 67,000,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
Connecticut Innovations, Incorporated					
Financial aid for biotechnology and other high technology laboratories, facilities and equipment	\$ 50,000,000	\$ 40,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000
TOTAL - Connecticut Innovations, Incorporated	\$ 50,000,000	\$ 40,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000
TOTAL - CONSERVATION AND DEVELOPMENT	\$ 3,747,891,031	\$ 3,422,341,031	\$ 338,550,000	\$ -13,000,000	\$ 325,550,000
HEALTH AND HOSPITALS					
Projects included may be subject to the Certificate of Need Approval in accordance with the provisions of Chapter 368c of the General Statutes, as amended.					
Department of Public Health					
Grants-in-aid to community health centers, primary care organizations, and to municipalities for school based health clinics for renovations, improvements, expansion of facilities, and for the purchase and installation of dental equipment including the purchase of mobile dental health clinics	\$ 13,000,000	\$ 12,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000
TOTAL - Department of Public Health	\$ 13,000,000	\$ 12,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000
Department of Mental Retardation					
Fire safety and environmental improvements to regional facilities for client and staff needs, including improvements in compliance with current codes, including intermediate care facilities and site improvements, handicapped access improvements, utilities, repair or replacement of roofs, air conditioning and other interior and exterior building renovations and additions at all state-owned facilities	\$ 56,476,670	\$ 55,476,670	\$ 1,000,000	\$ 0	\$ 1,000,000
Renovations and improvements for compliance with the Americans with Disabilities Act at all regional facilities and at Southbury Training School	\$ 9,379,800	\$ 8,879,800	\$ 500,000	\$ 0	\$ 500,000
TOTAL - Department of Mental Retardation	\$ 65,856,470	\$ 64,356,470	\$ 1,500,000	\$ 0	\$ 1,500,000
Dept Mental Health & Addiction Svcs					
Alterations, renovations, additions, and improvements, including new construction in accordance with the Department of Mental Health and Addiction Services master campus plan	\$ 50,492,858	\$ 49,492,858	\$ 1,000,000	\$ 0	\$ 1,000,000
Fire, safety and environmental improvements, including improvements in compliance with current codes, site improvements, repair and replacement of roofs, and other exterior and interior building renovations	\$ 87,670,023	\$ 86,670,023	\$ 1,000,000	\$ 0	\$ 1,000,000
Grants-in-aid to private, non-profit organizations for alterations and improvements to various facilities	\$ 30,831,863	\$ 26,831,863	\$ 4,000,000	\$ 0	\$ 4,000,000
TOTAL - Dept Mental Health & Addiction Svcs	\$ 168,994,744	\$ 162,994,744	\$ 6,000,000	\$ 0	\$ 6,000,000
TOTAL - HEALTH AND HOSPITALS	\$ 247,851,214	\$ 239,351,214	\$ 8,500,000	\$ 0	\$ 8,500,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
TRANSPORTATION (1)					
Special Tax Obligation Bonds					
The recommended authorizations under the Department of Transportation for Special Tax Obligation Bonds for FY 2003 are based upon the Governor's transportation infrastructure financing plan.					
Bureau of Engineering and Highway Operations					
Capital resurfacing and related reconstruction projects Est. Federal Funds-FY 03 \$49,000,000	\$ 592,300,000	\$ 543,300,000	\$ 49,000,000	\$ 0	\$ 49,000,000
Interstate Highway Program-Variou locations- Reconstruction and construction Est. Federal Funds-FY 03 \$103,500,000	\$ 257,550,000	\$ 246,050,000	\$ 11,500,000	\$ 0	\$ 11,500,000
Urban Systems Projects Est. Federal Funds-FY 03 \$48,000,000	\$ 109,700,000	\$ 97,700,000	\$ 12,000,000	\$ 0	\$ 12,000,000
Intrastate Highway Program-Variou projects at various locations Est. Federal Funds-FY 03 \$126,000,000	\$ 671,050,000	\$ 639,550,000	\$ 31,500,000	\$ 0	\$ 31,500,000
State bridge improvement, rehabilitation and replacement projects Est. Federal Funds-FY 03 \$74,000,000	\$1,454,600,000	\$ 1,434,600,000	\$ 20,000,000	\$ 0	\$ 20,000,000
Soil, water supply and groundwater remediation at and/or in the vicinity of various maintenance facilities and former disposal areas	\$ 131,355,700	\$ 125,355,700	\$ 6,000,000	\$ 0	\$ 6,000,000
TOTAL - Bureau of Engineering and Highway Operations	\$ 3,216,555,700	\$ 3,086,555,700	\$ 130,000,000	\$ 0	\$ 130,000,000
Bureau of Administration					
Department facilities including alterations, repairs and improvements or purchase or development	\$ 64,110,000	\$ 57,710,000	\$ 6,400,000	\$ 0	\$ 6,400,000
Cost of issuance and debt service reserve	\$ 565,266,000	\$ 541,966,000	\$ 23,300,000	\$ 0	\$ 23,300,000
Transportation Strategy Board Improvement Projects	\$ 27,000,000	\$ 12,000,000	\$ 0	\$ 15,000,000	\$ 15,000,000
TOTAL - Bureau of Administration	\$ 656,376,000	\$ 611,676,000	\$ 29,700,000	\$ 15,000,000	\$ 44,700,000
Bureau of Aviation and Ports					
Reconstruction and improvements to the warehouse and State Pier, New London, including site improvements and improvement to ferry slips	\$ 42,616,000	\$ 42,316,000	\$ 300,000	\$ 0	\$ 300,000
Development and improvements of general aviation facilities including grants-in-aid to municipal airports (excluding Bradley International Airport) Est. Federal Funds-FY 03 \$2,205,000;Other \$66,667	\$ 34,414,000	\$ 32,414,000	\$ 2,000,000	\$ 0	\$ 2,000,000
TOTAL - Bureau of Aviation and Ports	\$ 77,030,000	\$ 74,730,000	\$ 2,300,000	\$ 0	\$ 2,300,000
Bureau of Public Transportation					
Bus and rail facilities and equipment, including rights-of- way, other property acquisition and related projects Est. Federal Funds-FY 03 \$86,519,000	\$ 679,260,000	\$ 645,260,000	\$ 34,000,000	\$ 0	\$ 34,000,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
TOTAL - Bureau of Public Transportation	\$ 679,260,000	\$ 645,260,000	\$ 34,000,000	\$ 0	\$ 34,000,000
TOTAL - Department of Transportation	\$ 4,629,221,700	\$ 4,418,221,700	\$ 196,000,000	\$ 15,000,000	\$ 211,000,000
(1) The Estimated Federal/Other Funds shown are for FY 2003 based on current authorizations.					
TOTAL - TRANSPORTATION (1)	\$ 4,629,221,700	\$ 4,418,221,700	\$ 196,000,000	\$ 15,000,000	\$ 211,000,000
EDUCATION					
Department of Education					
Alterations and improvements to buildings and grounds, including new and replacement equipment, tools and supplies necessary to update curricula, vehicles and technology upgrades at all Regional Vocational-Technical Schools Total Est. Cost \$142,020,231	\$ 100,220,231	\$ 85,220,231	\$ 15,000,000	\$ 0	\$ 15,000,000
Grants-in-aid to assist targeted local and regional school districts for alterations, repairs and improvements to buildings and grounds Total Est. Cost \$104,200,000	\$ 64,900,000	\$ 51,800,000	\$ 13,100,000	\$ 0	\$ 13,100,000
Grants-in-aid to municipalities, regional school districts, and regional education service centers for the costs of wiring school buildings	\$ 39,899,969	\$ 37,899,969	\$ 0	\$ 2,000,000	\$ 2,000,000
For the American School for the Deaf-Alterations, renovations and improvements to buildings and grounds, including new construction	\$ 32,365,200	\$ 22,365,200	\$ 10,000,000	\$ 0	\$ 10,000,000
Grant-in-aid to municipalities, regional school districts and regional education service centers for local school construction, rehabilitation and improvement projects - Interest payments	\$ 171,100,000	\$ 121,100,000	\$ 0	\$ 50,000,000	\$ 50,000,000
Grants-in-aid to municipalities, regional school districts and regional education service centers for local school construction, rehabilitation and improvement projects - Principal and current payments only	\$1,693,275,000	\$ 1,243,275,000	\$ 450,000,000	\$ 0	\$ 450,000,000
TOTAL - Department of Education	\$ 2,101,760,400	\$ 1,561,660,400	\$ 488,100,000	\$ 52,000,000	\$ 540,100,000
State Library					
Connecticut Arts Endowment Fund for 501(c)(3) tax-exempt non-profit organizations to be matched with private contributions	\$ 15,000,000	\$ 14,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000
Grants-in-aid for public libraries for construction, renovations, expansions, energy conservation and handicapped accessibility	\$ 35,747,182	\$ 33,247,182	\$ 2,500,000	\$ 0	\$ 2,500,000
TOTAL - State Library	\$ 50,747,182	\$ 47,247,182	\$ 3,500,000	\$ 0	\$ 3,500,000
Board for Regional Community-Technical Colleges					
System Technology Initiative Total Est. Cost \$25,285,663	\$ 10,285,663	\$ 5,285,663	\$ 5,000,000	\$ 0	\$ 5,000,000
New and replacement instruction, research and/or laboratory equipment Total Est. Cost \$63,135,947	\$ 36,135,947	\$ 27,135,947	\$ 9,000,000	\$ 0	\$ 9,000,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
Alterations, renovations and improvements to facilities including fire, safety, energy conservation and code compliance	\$ 39,700,000	\$ 33,200,000	\$ 6,500,000	\$ 0	\$ 6,500,000
Total Est. Cost \$53,851,750					
TOTAL - Board for Regional Community-Technical Colleges	\$ 86,121,610	\$ 65,621,610	\$ 20,500,000	\$ 0	\$ 20,500,000
Gateway Community-Technical College					
Consolidation of college programs in one location, development of facilities of 300,000 sq. ft., and 240 parking spaces	\$ 52,052,100	\$ 7,115,000	\$ 44,937,100	\$ 0	\$ 44,937,100
TOTAL - Gateway Community-Technical College	\$ 52,052,100	\$ 7,115,000	\$ 44,937,100	\$ 0	\$ 44,937,100
Quinebaug Valley Community-Technical College					
Facility development of 22,300 sq. ft. and 100 parking spaces - Planning Funds Only	\$ 725,000	\$ 0	\$ 725,000	\$ 0	\$ 725,000
Total Est. Cost \$8,580,000					
TOTAL - Quinebaug Valley Community-Technical College	\$ 725,000	\$ 0	\$ 725,000	\$ 0	\$ 725,000
TOTAL - Community-Technical Colleges	\$ 138,898,710	\$ 72,736,610	\$ 66,162,100	\$ 0	\$ 66,162,100
Board for Connecticut State University System					
New and replacement instruction, research, laboratory, and physical plant and administrative equipment	\$ 29,500,000	\$ 19,500,000	\$ 10,000,000	\$ 0	\$ 10,000,000
Alterations, repairs and improvements at Auxiliary Services buildings	\$ 25,000,000	\$ 20,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
Total Est. Cost \$50,000,000					
TOTAL - Board for Connecticut State University System	\$ 54,500,000	\$ 39,500,000	\$ 15,000,000	\$ 0	\$ 15,000,000
Central Connecticut State University					
Classroom office building for social science-62,640 sq. ft. - Planning Funds Only	\$ 100,000	\$ 0	\$ 100,000	\$ 0	\$ 100,000
Total Est. Cost \$20,137,000					
TOTAL - Central Connecticut State University	\$ 100,000	\$ 0	\$ 100,000	\$ 0	\$ 100,000
Western Connecticut State University					
Development of a new Science Building of 115,000 sq. ft.	\$ 44,595,000	\$ 4,140,000	\$ 40,455,000	\$ 0	\$ 40,455,000
Development of a Fine and Performing Arts Building-72,300 sq. ft. - Planning Funds Only	\$ 130,000	\$ 0	\$ 130,000	\$ 0	\$ 130,000
Total Est. Cost \$26,809,000					
TOTAL - Western Connecticut State University	\$ 44,725,000	\$ 4,140,000	\$ 40,585,000	\$ 0	\$ 40,585,000
Southern Connecticut State University					
Addition and Renovations to Buley Library-135,430 sq. ft.	\$ 40,398,000	\$ 3,170,000	\$ 37,228,000	\$ 0	\$ 37,228,000
TOTAL - Southern Connecticut State University	\$ 40,398,000	\$ 3,170,000	\$ 37,228,000	\$ 0	\$ 37,228,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
Eastern Connecticut State University					
Alterations, renovations and improvements to facilities, including fire, safety, energy conservation and code compliance improvements	\$ 8,608,000	\$ 7,334,000	\$ 1,274,000	\$ 0	\$ 1,274,000
Development of a Campus Police Station 8,500 sq. ft.	\$ 1,683,000	\$ 212,000	\$ 1,471,000	\$ 0	\$ 1,471,000
TOTAL - Eastern Connecticut State University	\$ 10,291,000	\$ 7,546,000	\$ 2,745,000	\$ 0	\$ 2,745,000
TOTAL - Connecticut State University	\$ 150,014,000	\$ 54,356,000	\$ 95,658,000	\$ 0	\$ 95,658,000
TOTAL - EDUCATION	\$ 2,441,420,292	\$ 1,736,000,192	\$ 653,420,100	\$ 52,000,000	\$ 705,420,100
CORRECTION					
Department of Children and Families					
Grants-in-aid to private non-profit mental health clinics for children for fire, safety and environmental improvements including expansion	\$ 6,349,387	\$ 5,849,387	\$ 500,000	\$ 0	\$ 500,000
Grants-in-aid for construction, alterations, repairs and improvements to residential facilities, group homes, shelters, and permanent family residences	\$ 25,560,000	\$ 23,060,000	\$ 2,500,000	\$ 0	\$ 2,500,000
TOTAL - Department of Children and Families	\$ 31,909,387	\$ 28,909,387	\$ 3,000,000	\$ 0	\$ 3,000,000
TOTAL - CORRECTION	\$ 31,909,387	\$ 28,909,387	\$ 3,000,000	\$ 0	\$ 3,000,000
JUDICIAL					
Judicial Department					
Alterations, renovations and improvements to buildings and grounds at state-owned and maintained facilities, including Americans with Disabilities Act code compliance and other code improvements and energy conservation measures	\$ 63,508,758	\$ 50,508,758	\$ 13,000,000	\$ 0	\$ 13,000,000
Implement Technology Strategic Plan	\$ 31,000,000	\$ 26,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
Security improvements at various facilities	\$ 7,000,000	\$ 6,500,000	\$ 500,000	\$ 0	\$ 500,000
At Hartford Juvenile Matters & Detention Center- Renovation and expansion of courtrooms	\$ 23,560,000	\$ 14,560,000	\$ 9,000,000	\$ 0	\$ 9,000,000
TOTAL - Judicial Department	\$ 125,068,758	\$ 97,568,758	\$ 27,500,000	\$ 0	\$ 27,500,000
TOTAL - JUDICIAL	\$ 125,068,758	\$ 97,568,758	\$ 27,500,000	\$ 0	\$ 27,500,000

PROGRAM OR PROJECT BY AGENCY

	Estimated State Funds	Prior Authorization	Authorized FY 2003	Recommended Change	Total Revised Recommended
NON-FUNCTIONAL					
Connecticut Public Television					
Construction and equipment for instructional television fixed service system, including interconnection with state agencies Total Est. Cost \$6,218,000	\$ 4,718,000	\$ 4,218,000	\$ 500,000	\$ 0	\$ 500,000
Expansion and improvement of all production facilities and transmission systems, including all equipment and related technical upgrades necessary to convert to digital television broadcasting Total Est. Cost \$16,370,000	\$ 12,370,000	\$ 10,370,000	\$ 2,000,000	\$ 0	\$ 2,000,000
TOTAL - Connecticut Public Television	\$ 17,088,000	\$ 14,588,000	\$ 2,500,000	\$ 0	\$ 2,500,000
TOTAL - NON-FUNCTIONAL	\$ 17,088,000	\$ 14,588,000	\$ 2,500,000	\$ 0	\$ 2,500,000



SECTION E - MUNICIPAL AID

PAYMENTS TO OR ON BEHALF OF LOCAL GOVERNMENTS - APPROPRIATED FUNDS

	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriation	2002-2003 Revised Recommended
<u>GENERAL GOVERNMENT</u>				
Office of Policy and Management				
One Time Surplus Revenue Sharing	\$ 34,000,003	\$ 0	\$ 0	0
Reimbursement Property Tax - Disability Exemption	397,150	430,000	450,000	450,000
Distressed Municipalities	5,141,983	6,000,000	6,500,000	9,168,000
Property Tax Relief Elderly Circuit Breaker	20,561,957	20,500,000	22,000,000	22,000,000
Property Tax Relief Elderly Freeze Program	3,626,625	3,123,000	1,830,000	2,700,000
Property Tax Relief for Veterans	8,377,002	8,600,000	8,900,000	8,900,000
Drug Enforcement Program	4,201,199	3,935,824	9,266,053	7,229,002
P.I.L.O.T.-New Manufacturing Machinery and Equipment	76,144,546	75,000,000	75,500,000	74,200,000
Interlocal Agreements	87,500	0	0	48,500
Capital City Economic Development	750,000	750,000	750,000	750,000
One-time LOCIP Grant	11,398,710	0	0	0
Waste Water Treatment Facility Host Town Grant	250,000	0	250,000	0
TOTAL - Office of Policy and Management	\$ 164,936,675	\$ 118,338,824	\$ 125,446,053	\$ 125,445,502
TOTAL - GENERAL GOVERNMENT	\$ 164,936,675	\$ 118,338,824	\$ 125,446,053	\$ 125,445,502
<u>REGULATION & PROTECTION OF PERSONS & PROPERTY</u>				
Department of Motor Vehicles				
Grants to Towns to Improve Parking at DMV	\$ 225,000	\$ 0	\$ 0	0
TOTAL - Department of Motor Vehicles	\$ 225,000	\$ 0	\$ 0	0
TOTAL - REGULATION & PROTECTION OF PERSONS & PROPERTY	\$ 225,000	\$ 0	\$ 0	0
<u>CONSERVATION AND DEVELOPMENT</u>				
Department of Economic and Community Development				
Tax Abatement	\$ 2,243,276	\$ 0	\$ 2,243,276	0
Payment in Lieu of Taxes	2,900,000	0	2,900,000	0
TOTAL - Dept of Economic & Community Development	\$ 5,143,276	\$ 0	\$ 5,143,276	0
TOTAL - CONSERVATION AND DEVELOPMENT	\$ 5,143,276	\$ 0	\$ 5,143,276	0
<u>HEALTH AND HOSPITALS</u>				
Department of Public Health				
Local and District Departments of Health	\$ 4,320,609	\$ 4,446,010	\$ 4,446,010	\$ 4,446,010
Venereal Disease Control	231,255	231,255	231,255	215,239
School Based Health Clinics	5,638,399	5,838,399	6,038,399	5,913,399
TOTAL - Department Of Public Health	\$ 10,190,263	\$ 10,515,664	\$ 10,715,664	\$ 10,574,648
TOTAL - HEALTH AND HOSPITALS	\$ 10,190,263	\$ 10,515,664	\$ 10,715,664	\$ 10,574,648

PAYMENTS TO OR ON BEHALF OF LOCAL GOVERNMENTS - APPROPRIATED FUNDS

	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriation	2002-2003 Revised Recommended
<u>TRANSPORTATION</u>				
Department of Transportation				
Town Aid Road Grants	\$ 34,856,862	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
TOTAL - Department of Transportation	\$ 34,856,862	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
TOTAL - TRANSPORTATION	\$ 34,856,862	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
<u>HUMAN SERVICES</u>				
Department of Social Services				
Child Day Care	\$ 4,876,486	\$ 3,629,725	\$ 3,629,725	\$ 3,629,725
Human Resource Development	77,666	77,666	77,666	69,899
Human Resource Development-Hispanic Programs	12,150	12,150	12,150	10,935
Teen Pregnancy Prevention	988,380	1,092,420	1,192,420	1,105,178
School Based Child Health	8,599,939	0	0	0
Services to the Elderly	0	49,236	49,236	49,236
Housing/Homeless Services	0	592,427	592,427	592,427
Vocational Rehabilitation Transition Plan	40,576	0	0	0
TOTAL - Department Social Services	\$ 14,595,197	\$ 5,453,624	\$ 5,553,624	\$ 5,457,400
TOTAL - HUMAN SERVICES	\$ 14,595,197	\$ 5,453,624	\$ 5,553,624	\$ 5,457,400
<u>EDUCATION, MUSEUMS, AND LIBRARIES</u>				
Department of Education				
School Building Grants and Interest Subsidy	\$ 0	\$ 1,033	\$ 0	\$ 0
Interest Subsidy Debt Avoidance Grants	1,906,888	0	0	0
School Construction Grants	292,713,001	0	0	0
Vocational Agriculture	2,816,700	2,816,700	2,816,700	2,535,030
School Wiring	9,888,491	0	0	0
Transportation of School Children	45,939,134	47,500,000	50,000,000	47,800,000
Adult Education	15,344,655	17,700,000	18,600,000	17,800,000
Health and Welfare Services Pupils Private Schools	3,174,743	4,030,116	4,000,000	4,000,000
ECS Hartford Supplemental School Aid	5,700,000	0	0	0
Education Equalization Grants	1,384,627,280	1,456,744,884	1,515,500,000	1,469,500,000
Bilingual Education	2,252,000	2,303,796	2,359,087	2,359,087
Priority School Districts	20,057,500	81,774,351	81,622,258	81,622,258
Young Parents Program	259,080	259,080	259,080	233,172
Interdistrict Cooperation	17,766,944	12,956,111	12,960,424	12,960,424
School Breakfast Program	1,559,805	1,559,805	1,559,805	1,559,805
Excess Cost - Student Based	58,398,566	66,000,000	69,000,000	71,000,000
Excess Cost - Equity	11,500,000	8,500,000	7,500,000	0
Student Achievement Grant	1,500,000	0	0	0
Non-Public School Transportation	4,537,489	5,025,000	5,300,000	4,710,000
Celebration of Excellence	25,000	0	0	0
School to Work Opportunities	250,000	250,000	250,000	225,000
Extended School Hours and Support Programs	3,108,185	79,718	79,751	79,751
Youth Service Bureaus	2,855,986	2,926,109	2,927,612	2,927,612
OPEN Choice Program	6,651,400	7,028,000	8,740,000	8,740,000

PAYMENTS TO OR ON BEHALF OF LOCAL GOVERNMENTS - APPROPRIATED FUNDS

	2000-2001 Actual	2001-2002 Estimated	2002-2003 Appropriation	2002-2003 Revised Recommended
Lighthouse Schools	300,000	300,000	300,000	300,000
Transitional School Districts	2,500,000	1,000,000	1,000,000	0
Early Reading Success	20,571,876	2,235,544	2,236,461	2,236,461
Magnet Schools	29,891,217	33,041,170	45,188,220	45,188,220
Library Books Grants to Towns	3,115,530	0	0	0
Supplemental Education Aid	0	9,000,000	0	0
School Accountability	7,650,000	0	0	0
TOTAL - Department of Education	\$ 1,956,861,470	\$ 1,763,031,417	\$ 1,832,199,398	\$ 1,775,776,820
Board of Education and Services for the Blind				
Services for Persons with Impaired Vision	\$ 687,881	\$ 442,672	\$ 442,672	\$ 0
Tuition and Services-Public School Children	1,308,220	1,171,220	1,171,220	0
TOTAL - Board of Education & Services for the Blind	\$ 1,996,101	\$ 1,613,892	\$ 1,613,892	\$ 0
State Library				
Grants to Public Libraries	\$ 472,109	\$ 447,109	\$ 472,109	\$ 447,109
Connecticard Payments	726,028	676,028	726,028	676,028
TOTAL - State Library	\$ 1,198,137	\$ 1,123,137	\$ 1,198,137	\$ 1,123,137
Teachers' Retirement Board				
Retirement Contributions	\$ 214,665,698	\$ 204,511,460	\$ 214,737,033	\$ 214,737,033
Retirees Health Service Cost	4,986,077	6,191,800	7,187,896	6,737,896
Municipal Retiree Health Insurance Cost	4,454,670	5,280,000	5,649,600	5,299,600
TOTAL - Teachers' Retirement Board	\$ 224,106,445	\$ 215,983,260	\$ 227,574,529	\$ 226,774,529
TOTAL - EDUCATION, MUSEUMS, AND LIBRARIES	\$ 2,184,162,153	\$ 1,981,751,706	\$ 2,062,585,956	\$ 2,003,674,486
<u>NON-FUNCTIONAL</u>				
Comptroller-Miscellaneous Accounts				
Loss of Taxes on State Property	\$ 64,759,334	\$ 66,059,215	\$ 63,778,364	\$ 63,778,364
Grants to Towns	130,094,559	135,000,000	120,000,000	135,000,000
Loss of Taxes on Private Tax-exempt Property	97,163,154	100,931,737	97,163,154	97,163,154
TOTAL - Comptroller-Miscellaneous Accounts	\$ 292,017,047	\$ 301,990,952	\$ 280,941,518	\$ 295,941,518
TOTAL - NON-FUNCTIONAL	\$ 292,017,047	\$ 301,990,952	\$ 280,941,518	\$ 295,941,518
TOTAL - APPROPRIATED FUNDS	\$ 2,706,126,473	\$ 2,453,050,770	\$ 2,525,386,091	\$ 2,476,093,554
<u>Summary of Appropriated Funds</u>				
General Fund	\$ 2,575,806,914	\$ 2,318,050,770	\$ 2,405,386,091	\$ 2,341,093,554
Special Transportation Fund	\$ 225,000	\$ 0	\$ 0	\$ 0
Mashantucket Pequot and Mohegan Fund	\$ 130,094,559	\$ 135,000,000	\$ 120,000,000	\$ 135,000,000

Note: FY2000-2001 and FY2001-2002 reflect expenditures on appropriations carried forward from prior years and for additional lapses and expenditures in agency appropriations estimated after January 22, 2002.

BONDS AUTHORIZED FOR PAYMENT TO OR ON BEHALF OF LOCAL GOVERNMENTS

	AUTHORIZED/ RECOMMENDED FY 2002-03
GENERAL GOVERNMENT	
Grants for Local Capital Improvement Program	\$ 30,000,000
Grants for Urban Development Projects	140,000,000
Development of Criminal Justice Information System	3,600,000
Grants for Small Town Economic Assistance	20,000,000
TOTAL - General Government	\$ 193,600,000
 CONSERVATION AND DEVELOPMENT	
Grants to Farmers for Environmental Compliance	\$ 500,000
Grants for a Farm Reinvestment Program for Expansion and/or Improvements to Working Farms	500,000
Grants to Municipalities for Acquisition of Land, for Public Parks, Recreational and Water Quality Improvements	17,000,000
Grants for Acquisition of Open Space	15,000,000
Residential Underground Storage Tank Removal/Replacement Program	5,500,000
Grants and Low Interest Revolving Loans Under the Clean Water Fund, Including Long Island Sound Clean-Up and Safe Drinking Water Program	161,200,000
Various Flood Control Improvements, Flood Repair, Erosion Damage Repairs and Municipal Dam Repairs	1,000,000
Grants-in-aid for Lakes Restoration	250,000
Grants for Restoration and Preservation of Historic Structures and Landmarks	300,000
Grants and Loans for Various Housing Projects and Programs	10,000,000
Grants for Urban Economic and Community Development Projects	2,000,000
Grant-in-aid to the City of Norwalk for Various Economic and Community Development Projects Including Improvements to the Downtown Area	10,000,000
Grants-in-aid for Cultural and Entertainment-Related Economic Development Projects	5,000,000
Grant-in-aid to Bridgeport for Remediation of the Waterfront	10,000,000
Economic Development and Manufacturing Assistance and Defense Diversification Fund Including Grants	30,000,000
TOTAL - Conservation and Development	\$ 268,250,000
 HEALTH AND HOSPITALS	
Grants to Community Health Centers, Primary Care Organizations, and to Municipalities for School Based Health Clinics, Renovations to Facilities and Purchase and Installation of Dental Equipment	\$ 1,000,000
Grants to Private Non-Profit Organizations for Alterations and Improvements	4,000,000
TOTAL - Health and Hospitals	\$ 5,000,000
 TRANSPORTATION	
Development and Improvement of General Aviation Airport Facilities Including Grants to Municipal Airports (Excluding Bradley International Airport)	\$ 2,000,000
TOTAL - Transportation	\$ 2,000,000

EDUCATION

Grants to Municipalities, Regional School Districts, and Regional Education Services Centers for Local School Construction, Rehabilitation and Improvement Projects-Principal and Current Payments Only	\$ 450,000,000
Grants to Municipalities, Regional School Districts, and Regional Education Services Centers for Local School Construction, Rehabilitation and Improvement Projects-Interest Payments	50,000,000
Grants to Assist Targeted Local and Regional School Districts for Alterations, Repairs and Improvements	13,100,000
Grants to Municipalities, Regional School Districts, and Regional Education Services Centers for the Costs of Wiring School Buildings	2,000,000
Grants to Public Libraries for Construction, Renovations, Expansions, Energy Conservation and Handicapped Accessibility	<u>2,500,000</u>
TOTAL - Education	\$ 517,600,000

CORRECTIONS

Grants for Construction, Alterations, Repairs and Improvements to Residential Facilities, Group Homes, Shelters, and Permanent Family Residences	\$ 2,500,000
Grants to Private Non-Profit Mental Health Clinics for Children for Fire, Safety and Environmental Improvements Including Expansion	<u>500,000</u>
TOTAL - Corrections	\$ 3,000,000

GRAND TOTAL **\$ 989,450,000**

Note: Expenditures from bond authorizations may occur in years other than the year of authorization.

STATUTORY FORMULA GRANTS

INTRODUCTION

The purpose of this section is to provide information for the biennium that began July 1, 2001 with respect to certain state grant programs under which payments to municipalities are determined by statutory formulas. The estimated payments for Fiscal Year 2001-2002 are based on grant program appropriations enacted by the General Assembly. **Some of the grant program estimates for Fiscal Year 2002-2003 reflect proposals included in the Governor's Recommended Midterm Budget Adjustments, which may be amended by the General Assembly.** Although not all-inclusive, these data should help provide municipal officials with a general guide to actual and proposed overall formula grant funding levels for the current biennium. Payments remitted in Fiscal Year 2000-2001 are also reflected in this section.

Due to rounding and the fact that payments to lesser taxing districts are not always reflected, the totals for a number of columns do not exactly reflect state budget allocations.

Summaries of the grant programs for which data appear in this section are provided. Where appropriate, these summaries indicate that estimates are based on data for a prior fiscal year because current data is not yet available. The total statewide appropriation for the programs for which grantee-specific estimates are not available is reflected on page 24.

IN THE GRANT PROGRAM SUMMARIES SECTION, TEXT THAT IS HIGHLIGHTED IN UPPER CASE, BOLDFACED TYPE DENOTES PROPOSED LEGISLATION THAT WOULD SUBSTANTIVELY CHANGE THE PROGRAM REFERENCED. Throughout this section, lowercase, boldfaced type reflects text with added emphasis.

Towns for which amounts are not displayed in columns related to education programs are members of regional school districts that receive direct funding from the State of Connecticut. Grant estimates for regional school districts are shown following those for municipalities, a category that includes all Connecticut cities, towns, boroughs, and the unconsolidated City of Groton.

Although this section does not contain data for all reimbursable tax abatement and dedicated or categorical grant-in-aid programs, the combined estimate for some of these programs is reflected in the category entitled *Miscellaneous Grants*. (See page 3 for a description of this category.)

Questions concerning education program estimates should be directed to the Department of Education's Division of Grants Management at (860) 713-6460. Questions about Town Aid Road Fund estimates should be directed to the Department of Transportation at (860) 594-2675. Questions regarding the School-Based Child Health Grant (previously known as the Medicaid Coordination for Special Education Grant) should be directed to the Department of Social Services at (860) 424-5617. Inquiries about any other estimates contained in this section should be directed to the Office of Policy and Management's Intergovernmental Affairs Unit at (860) 418-6385.

Please note - Section 12-62 of the Connecticut General Statutes contains the revaluation implementation schedule for Connecticut towns. Failure to implement a revaluation on the date required may result in the imposition of a penalty equal to 10% of the actual payments for the statutory formula grants estimated in this section. However, a penalty waiver may be granted under §12-62(d).

GRANT PROGRAM SUMMARIES

The estimates on pages 9 through 24 correspond to the brief grant program descriptions provided below.

1. STATE-OWNED REAL PROPERTY PAYMENT-IN-LIEU OF TAXES (PILOT)

Payment is made pursuant to §12-19a, §12-19b, §12-19c, §4b-39, §32-666 and Public Act 99-26. Fiscal Year 2001-2002 payments are based on 1999 Grand List property tax exemptions applied to state-owned real property, certain real property that is the subject of a state lease or long-term financing contract, municipally owned airports and certain land held in trust by the federal government. The portion of the property tax loss that is payable is determined by various factors, including a property's use. For Fiscal Year 2001-2002, property uses and corresponding PILOT percentages are:

- (1) State prison facilities used for incarcerative purposes in the fiscal year prior to that in which payment is remitted – 100% PILOT;

- (2) That portion of the John Dempsey Hospital used as a permanent medical ward for prisoners – 100% PILOT;
- (3) All state-owned property in any town in which more than 50% of the property within its boundaries is owned by the State of Connecticut – 100% PILOT;
- (4) The Long Lane School in Middletown – 100% PILOT;
- (5) All other real property owned by the State of Connecticut, certain real property (such as the Superior Court in Middletown) described in §4b-39 and municipally-owned airports – 45% PILOT;
- (6) Land designated under the 1983 settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation on or after June 8, 1999 – 100% PILOT; and
- (7) Connecticut Valley Hospital – 65% PILOT.

Pursuant to Public Act 99-26, the Fiscal Year 2001-2002 PILOT to the Town of Preston for property formerly used as the Norwich State Hospital is \$422,268.

Fiscal Year 2002-2003 payments are based upon 2000 Grand List property tax exemptions. The property uses and percentages listed above are also applicable to payments that will be remitted in Fiscal Year 2002-2003, except that the payment to the Town of Preston for the former Norwich State Hospital will be \$281,512 in that fiscal year.

Since payments are subject to state audits of exempt assessments, Fiscal Year 2000-2001 PILOTs may reflect adjustments resulting from modifications related to the 1998 Grand List and Fiscal Year 2002-2003 PILOTs may reflect 1999 Grand List adjustments. Formula-generated totals are reduced proportionately to the amount of the appropriation.

Grant is paid on September 30th.

2. PRIVATE COLLEGES AND GENERAL AND FREE STANDING CHRONIC DISEASE HOSPITALS PILOT

Payment is made in accordance with §12-20a and §12-20b. In Fiscal Year 2001-2002, the PILOT to towns and certain lesser taxing districts is calculated at 77% of their tax losses due to real property exemptions for eligible private colleges and general and free standing chronic disease hospitals on the 1999 Grand List. In Fiscal Year 2002-2003, the 77% PILOT calculation is based on municipalities' tax losses due to 2000 Grand List exemptions for such properties.

Since payments are subject to state audit of exempt assessments, Fiscal Year 2001-2002 PILOTs may reflect 1998 Grand List adjustments and Fiscal Year 2002-2003 PILOTs may reflect 1999 Grand List adjustments. Formula-generated totals are reduced proportionately to the amount of the appropriation.

Grant is paid on September 30th.

3. MASHANTUCKET PEQUOT AND MOHEGAN FUND GRANT

Payment is made pursuant to §3-55i through §3-55k, inclusive, as amended by Special Act 01-01 (June Special Session). A total of \$135,000,000 is annually remitted to towns from the proceeds of the Mashantucket Pequot And Mohegan Fund.

The Mashantucket Pequot and Mohegan Fund Grant calculation is based on various statutory formulas. If the formula-generated total exceeds the appropriation, payments are prorated. The grant calculation formulas are:

(1) \$20 million on the basis of the State-Owned Real Property PILOT program -- in Fiscal Years 2001-2002 and 2002-2003, the amount for each town is calculated at one-third of the difference between what is received as a PILOT payment in the corresponding fiscal years, and what would have been received if the State-Owned Real Property PILOT program for those years had been funded at \$85,205,085. After required minimum payments are reflected, town-specific amounts are prorated to \$20 million;

(2) \$20.1 million on the basis of the PILOT for Private Colleges and General and Free Standing Chronic Disease Hospitals -- in Fiscal Years 2001-2002 and 2002-2003, the percentage of each town's PILOT (excluding prior year adjustments) of the total of all such PILOTs for the corresponding fiscal year is calculated. The percentage factor for each town is then multiplied by the \$20,123,916 allocated for this portion of the formula;

Municipal Aid

- (3) \$35 million on the basis of the Property Tax Relief Fund formula in §7-528, as modified by §3-55j(e);
- (4) \$5.75 million to Distressed Municipalities on the basis of said Property Tax Relief Fund formula;
- (5) \$175,000 each to Ledyard, Preston and North Stonington and \$150,000 to Montville, pursuant to §3-55j(h);

Note - A change to the PILOTs described in (1) and (2) for *any* reason, including a state audit, will affect the calculation of this grant. Also, regardless of the above formulas, the amounts allocated to 28 towns are specifically set forth in §3-55j(g).

- (6) An additional \$250,000 to Ledyard, pursuant to §3-55j(i); and
- (7) An additional \$49,750,000 to all towns, distributed pro rata on the basis of each town's grant determined under (1) to (6) above, to the total of all such grants, pursuant to §3-55j(j).

A town must share the grant determined under the PILOT formulas described in (1) and (2) above, with an eligible special services district located within its boundaries. Additionally, a town must share with such a district that portion of the pro rata amount described in (7) that is based on the PILOT formulas delineated in (1) and (2). Although the estimates in this section reflect the grant totals payable to towns that are subject to this requirement, they receive a separate notice of the amount they must remit to these eligible special services districts.

Pursuant to §22a-27j, the Office of Policy and Management must deduct from the 1st Mashantucket Pequot and Mohegan Fund Grant payment issued to a town in any fiscal year, the amount that the town owes to the Environmental Quality Fund. This provision is first effective in Fiscal Year 2001-2002. **Reductions for Fiscal Year 2001-2002 are not reflected in the payment amounts shown.**

PROPOSED LEGISLATION WILL INCREASE THE GRANT CURRENTLY PAYABLE TO FIVE TOWNS AFFECTED BY THEIR PROXIMITY TO CASINOS (LEDYARD, MONTVILLE, NORWICH, NORTH STONINGTON AND PRESTON), WITHIN AVAILABLE APPROPRIATIONS, BEGINNING IN FISCAL YEAR 2002-2003.

Grant is paid in three installments on December 31st, March 31st and June 30th.

4. TOWN AID ROAD FUND GRANT

Payment is made pursuant to §13a-175a through §13a-175i, inclusive. A total of \$35,000,000 is annually remitted to municipalities under this program. Among the factors used to determine these grants are a municipality's population and the number of improved and unimproved roads within its jurisdiction. Grants are used for various purposes, including the construction and maintenance of public highways, roads, and bridges. Formula-generated totals are prorated to the appropriation.

Fifty percent of the grant is paid in July or August; the balance is paid in January.

5. LOCAL CAPITAL IMPROVEMENT (LOCIP) PROGRAM

Payment is made in accordance with §7-535, §7-536, as amended by Public Act 01-197, §7-537 and §7-538. Each municipality receives reimbursement of up to the amount of its formula-generated entitlement after certification that an approved project (or a portion thereof) has been completed. Pursuant to Public Act 01-197, expenditures for the preparation and revision of municipal plans of conservation and development are eligible for reimbursement, provided such plans have been endorsed by the municipality's legislative body within 180 days.

No reimbursement can be issued for an approved project unless it is requested within seven years of the project's approval date. The Office of Policy and Management sends two notifications regarding a municipality's potential loss of reimbursement. A waiver may be granted with respect to this provision under terms and conditions the Office of Policy and Management deems appropriate.

LoCIP entitlements do not lapse; unused entitlements from previous years are added to those calculated for the current fiscal year (which are made available on March 1st) and are accessible to municipalities. The estimates in this section are the annual entitlements, not the cumulative amounts available.

Grant is paid upon receipt of certification that an approved project (or a portion thereof) has been completed, if such certification is received within seven years of the project's approval date.

6. MISCELLANEOUS GRANTS

The Miscellaneous Grants category is comprised of estimates for six grant programs. These include: (1) Drug Enforcement (entitlements only), pursuant to §21a-274a(a) and regulations thereunder; (2) Summer Youth Program, a component of the Drug Enforcement Program, pursuant to §21a-274a(a) and regulations thereunder; (3) Payment-In-Lieu of Taxes (PILOT) for Vessels, pursuant to §15-155b; (4) School-Based Health Clinics, pursuant to the powers provided under §19a-2a and Section 13 of Public Act 01-6 (June Special Session) which eliminates the appropriated grant account but distributes the same amount of revenue to a town's local education agency (LEA); (5) Child Day Care, pursuant to §8-210; and (6) Youth Service Bureaus, pursuant to §10-19m through §10-19p, inclusive.

Fiscal Year 2001-2002 estimates for some of these grant programs are based on data for the prior fiscal year, as are estimates for Fiscal Year 2002-2003. **As a result, the actual revenue received in such years may differ from the published estimates.**

Grants are paid at various times pursuant to the legislation cited above.

7. PUBLIC SCHOOL PUPIL TRANSPORTATION

Payment is made pursuant to §10-54, §10-66ee, as amended by Section 27 of Public Act 01-01 (June Special Session), §10-97, §10-158a, §10-266m, §10-273a and §10-277. Grants are determined by ranking districts by local wealth (using the Adjusted Equalized Net Grand List Per Capita, or AENGLC) in descending order from one to one hundred sixty-nine. The wealthiest seventeen towns are each assigned a reimbursement percentage of zero; a percentage of not less than zero and not more than 60 is assigned to those districts ranked from eighteen to one hundred sixty-nine. Secondary and K-12 regional districts receive a 5 and 10 percentage point bonus, respectively. No local or regional board of education can receive an entitlement of less than \$1,000.

Estimates for Fiscal Years 2001-2002 and 2002-2003 are based on projected local expenditures. These local expenditure forecasts are based on each district's projected growth rate for public school transportation. **Therefore, actual grant revenue may vary significantly from the published estimates. IN FISCAL YEAR 2002-2003, FUNDING FOR THIS GRANT IS PROPOSED TO BE CAPPED AT THE ESTIMATED FISCAL YEAR 2001-2002 EXPENDITURE LEVEL.**

Grant is usually paid in March or April.

8. NON-PUBLIC SCHOOL PUPIL TRANSPORTATION

Payment is made pursuant to §10-266m, §10-277 and §10-281. Grants are determined by ranking districts by local wealth (AENGLC) in descending order from one to one hundred sixty-nine. The wealthiest seventeen towns are each assigned a reimbursement percentage of zero; a percentage of not less than zero and not more than 60 is assigned to those districts ranked from eighteen to one hundred sixty-nine.

Non-public school pupil transportation expenditures subject to reimbursement are capped at twice the per pupil public expenditure from the year prior to the expenditure year. Estimates for Fiscal Years 2001-2002 and 2002-2003 are based on projected local expenditures. These local expenditure forecasts are based on each district's projected growth rate for pupil transportation. **Therefore, actual grant revenue may vary significantly from the published estimates. IN FISCAL YEAR 2002-2003, FUNDING FOR THIS GRANT IS PROPOSED TO BE CAPPED AT THE ESTIMATED FISCAL YEAR 2001-2002 EXPENDITURE LEVEL.**

Grant is usually paid in March or April.

9. ADULT EDUCATION

Payment is made pursuant to §10-71 and §10-71a. Adult education expenditures are reimbursed in the current year on a sliding scale of 0% to 65%, based on local wealth (AENGLC). Districts identified as Priority School Districts, in accordance with §10-266p(a), cannot receive a percentage of less than 20.

Adult education expenditures can vary significantly from year to year as programs and classes are added or terminated. **As grant estimates for Fiscal Year 2002-2003 are based on projected adult education expenditures, actual revenue may vary significantly from the published estimates. IN FISCAL YEAR 2002-2003, FUNDING FOR THIS GRANT IS PROPOSED TO BE REDUCED TO EFFECT ECONOMIES.**

66% of the grant is paid by August 31st and the balance is paid by May 31st.

10. EDUCATION COST SHARING (ECS)

Payment is made pursuant to §10-262f to §10-262j, inclusive, as amended by Sections 22 and 62 of Public Act 01-173 and Sections 1 through 4 of Public Act 01-01 (June Special Session). The ECS formula provides aid to towns based on:

- (1) Town wealth determined 50% by Equalized Net Grand List per weighted student and 50% by Equalized Net Grand List per capita, adjusted to reflect each town's per capita and median household incomes;
- (2) A State Guaranteed Wealth Level (SGWL) set at 1.55 times median town wealth;
- (3) A foundation amount set at \$5,891 per need student; and
- (4) Each town's need student count which is comprised of its resident students, plus 1/4 of its Temporary Family Assistance (TFA) count, plus 1/4 of its mastery count, plus 1/10 of its count of Limited English Proficient (LEP) students not funded pursuant to §10-17f. For purposes of determining each town's need student count, TFA counts are frozen at Fiscal Year 1996-1997 levels.
- (5) In addition to its base aid ratio determined by town wealth, as noted above (wherein no town can receive an aid ratio that is less than 6%) each town is eligible for a supplemental aid ratio of up to 4% times the foundation amount, times the portion of need student count driven by TFA, mastery count and extended school year weighting. The supplemental aid ratio is based on TFA counts and the percentage of students performing below the remedial standard on the statewide mastery test.

A town cannot receive more than a 6% increase above its ECS base revenue (total ECS entitlement less the supplements for density, cap relief and guaranteed minimum grant increases as described below), nor can it receive less than its previous year's base revenue. The actual rate of increase (or growth cap) up to the prescribed maximum is determined by town wealth. Pursuant to §10-262f, the regional district membership bonus is \$100 per student adjusted for the number of regional grades.

Districts with population density in excess of the state average receive a density grant based on their need student counts, times their foundation amounts, times their density aid ratios. The density supplement is calculated after the grant cap or stoploss provisions have been applied to the base ECS formula. Districts cannot receive less than their previous year's density grant.

Priority School Districts and Traditional School Districts cannot receive a base ECS entitlement (excluding density) that is less than 70% and 40%, respectively, of their current year's formula aid (ECS aid unadjusted for density and the grant cap and stoploss provisions), nor can Priority School Districts receive a grant that is below their previous year's grant per resident student level.

FOR THE SECOND YEAR OF THE BIENNIUM (FISCAL YEAR 2002-2003), FOUR SIGNIFICANT ECS CHANGES ARE RECOMMENDED. THE FIRST PROVIDES CAP RELIEF. FOR FISCAL YEAR 2002-2003, TOWNS IMPACTED BY THE ECS GRANT CAP WILL RECEIVE A PROPORTIONAL SHARE OF \$40 MILLION ABOVE THEIR BASE REVENUES PLUS DENSITY SUPPLEMENTS AS DESCRIBED ABOVE. SECOND, THE ONE-TIME COLA IS ELIMINATED. THIRD, THE ECS GRANT IS ADJUSTED BY A LAPSE THAT USUALLY OCCURS. (HISTORICALLY, ECS ENTITLEMENTS ARE ADJUSTED DOWNWARD FOR PRIOR YEAR ADJUSTMENTS, CREATING A LAPSING SITUATION.) FINALLY, A 2% REDUCTION IS MADE TO ALL OF THE GRANTS AFTER BASE REVENUES, DENSITY SUPPLEMENTS, AND THE CAP FUNDING HAVE BEEN ADDED IN.

For Fiscal Year 2002-2003, a town's Minimum Expenditure Requirement (MER) equals its prior year's MER adjusted by the change in the town's ECS grant from the prior year, and further adjusted to reflect decreases in enrollment, as provided by §10-262j. A town's MER is adjusted downward if there is a drop in resident students. The MER is adjusted by 50% of the foundation amount for each such student. **Actual revenues may vary from the published estimates due to data changes resulting from audits.**

25% of the grant is paid by October 31st; 25% is paid by January 31st and the balance is paid by April 30th.

ADDITIONAL GRANTS

The annual appropriations for each of the grant programs described below appear on page 24.

Grantee-specific estimates are not available for these programs.

REIMBURSEMENT FOR EXEMPT MACHINERY, EQUIPMENT AND COMMERCIAL VEHICLES

Payment is made in accordance with §12-81(72), §12-81(74), §12-94b, as amended by Section 57 of Public Act 01-6 (June Special Session) and §12-94c. In Fiscal Year 2000-2001, municipalities receive 100% of the revenue loss they sustain due to property tax exemptions granted for eligible manufacturing machinery and equipment and commercial vehicles on the 1999 Grand List. Fiscal Year 2001-2002 payments are based on 2000 Grand List exemptions and Fiscal Year 2002-2003 payments are based on 2001 grand list exemptions. Payments remitted in any year may reflect adjustments resulting from modifications to a prior year's reimbursement.

Pursuant to Public Act 01-06 (June Special Session), a municipality's tax loss for property that first becomes approved for exemption on or before October 1, 1999 is reimbursed at 100% for each of the five years the property is not taxed. A municipality's tax loss for property that first becomes approved for exemption on or after October 1, 2000 is reimbursed at 80% for each of the five years the property is not taxed. However, the statutes still call for businesses to receive a property tax abatement of 100%.

PROPOSED LEGISLATION WILL ELIMINATE THE STATE-REIMBURSED PROPERTY TAX EXEMPTION FOR COMMERCIAL VEHICLES THAT HAVE A GROSS VEHICLE WEIGHT RATING OF AT LEAST 55,000 POUNDS, BUT ARE NOT EXCLUSIVELY USED IN THE TRANSPORTATION OF FREIGHT FOR HIRE. THIS LEGISLATION WILL ALLOW MUNICIPALITIES TO PROVIDE A SIMILAR PROPERTY TAX EXEMPTION FOR SUCH VEHICLES, BY ORDINANCE.

Grant is paid on December 31st.

EXCESS COSTS-STUDENT BASED GRANT

Payment is made pursuant to §10-76d(e), as amended by Section 39 of Public Act 01-01 (June Special Session), §10-76g(a), §10-76g(b), as amended by Section 64 of Public Act 01-173, and §10-253. With respect to state agency initiated placements, the state funds 100% of the costs of these placements in excess of the district's prior year net current expenditure per pupil (NCEP). Pursuant to §10-76g(a)(1) and §10-76d(e)(3), the state pays 100% of the current year cost for certain no nexus students and special education students who reside on state property. For students placed in a special education program by the school district, these programs support costs in excess of five times the town's prior year's average cost per pupil.

PROPOSED LEGISLATION WILL DELAY, FOR ONE YEAR, THE IMPLEMENTATION OF LAST YEAR'S LEGISLATION THAT CALLS FOR THE STATE TO PAY FOR COSTS IN EXCESS OF 4.5 TIMES A TOWN'S PRIOR YEAR AVERAGE COST PER PUPIL FOR STUDENTS PLACED IN A SPECIAL EDUCATION PROGRAM BY A SCHOOL DISTRICT.

75% of this grant is paid in March and the balance is paid in May.

EXCESS COSTS-EQUITY GRANT

Payment is made pursuant to §10-76g(c) to towns with extraordinary special education costs. Towns whose prior year's special education expenditures exceed the state average when such costs are compared to average spending in regular programs are reimbursed for their excess special education expenses at the rate of their ECS base aid ratio. Grants, which may be proportionately reduced to stay within the appropriation, are based on audited expenditures for the prior fiscal year. **PROPOSED LEGISLATION WILL ELIMINATE THIS GRANT, BEGINNING IN FISCAL YEAR 2002-2003.**

Grant is paid in June.

SCHOOL-BASED CHILD HEALTH GRANT (AKA MEDICAID COORDINATION FOR SPECIAL EDUCATION)

Payment is made by the Department of Social Services pursuant to §10-76d(a). Grants are remitted to those local and regional boards of education that voluntarily determine the Medicaid eligibility of their special education students and furnish the information the state needs to obtain federal reimbursement for certain services eligible students receive. Among these are physical, occupational and speech therapies, mental health services, nursing, and the provision of medical supplies and specialized transportation.

Sixty percent of the amount received from the federal government is remitted to local and regional boards of education. Grants can be made on an estimated basis and grantees are required to reimburse the state if they receive an amount in excess of that to which they are entitled.

Grant is paid at least quarterly.

EXTENDED SCHOOL HOURS GRANT

Payment is made in accordance with §10-266t, §10-266p, as amended by Section 33 of Public Act 01-01 (June Special Session) and §10-266u. This program allows an expansion of the number of schools in Priority School Districts that can be kept open after school hours, on Saturdays and during vacations for academic enrichment and recreational programs. Payments are calculated by multiplying the grant appropriation by the ratio of each Priority School District's average daily membership to the total average daily membership of all such districts.

Legislative changes reallocated this grant into the priority school district grant. The extended school hours grant will be maintained as a separate component of the priority school district grant.

Grant is paid monthly upon approval.

EARLY CHILDHOOD GRANT (SCHOOL READINESS GRANT)

Payment is made in accordance with §10-16o, as amended by Section 33 of Public Act 01-01 (June Special Session), §10-16p, as amended by Section 48 of Public Act 01-173 and Sections 11, 12, 13 and 15 of Public Act 01-01 (June Special Session), §10-16q, as amended by Section 14 of Public Act 01-01 (June Special Session), §10-16r and §10-266p, as amended by Section 33 of Public Act 01-01 (June Special Session). This program is designed to initiate and expand pre-kindergarten programs in current and former Priority School Districts and in schools where at least 40% of lunches are served free or at a reduced price.

Ninety-three percent of the program's annual appropriation is provided to current and former Priority School Districts and 6.5% is provided, on a competitive basis, to other eligible school districts. (The remaining .5% is set-aside for administrative purposes.)

Recent legislative changes reallocated the portion of this grant related to priority school district communities into the priority school district grant. The early childhood grant component related to priority school district communities will be maintained as a separate component of the priority school district grant. The portion of the early childhood grant related to schools where 40% of lunches are served free will continue to be distributed as a separate grant.

Grant is paid monthly upon approval.

OPEN CHOICE GRANT

Payment is made in accordance with §10-266aa, as amended by Section 33 of Public Act 01-01 (June Special Session). This program is meant to encourage interdistrict attendance between the cities and suburbs. Participating suburban districts receive \$2,000 for each city student they admit, and city districts receive \$2,000 for each student they receive from the suburbs. Both the sending and receiving districts equally share the credit for these students for those state grants using resident students or average daily membership data.

Grant is scheduled to be paid by December.

PRIORITY SCHOOL DISTRICTS

Payment is made pursuant to §10-266p, as amended by Section 33 of Public Act 01-01 (June Special Session). These grants are remitted to assist Priority School Districts, which are those with the largest numbers or highest percentages of poor and remedial students. Among the factors used to determine grant amounts are population, mastery test scores and a high percentage of TFA students. Pursuant to §10-266p(b), phase-out funding is provided to those districts that lost their eligibility for this biennium.

Legislative changes absorb the following grants under the priority school district grant: early childhood, school accountability, early reading success and extended school hours. The new components of the priority school district grant will be maintained and distributed separately according to current formulas.

Grant is paid monthly upon approval.

TRANSITIONAL SCHOOL DISTRICTS

Payment is made in accordance with §10-263c, as amended by section 43 of Public Act 01-01, (June Special Session). This program provides grants for transitional school districts (i.e., districts that are not priority school districts but that have large numbers or high percentages of poor and remedial students.)

PROPOSED LEGISLATION WILL ELIMINATE THIS GRANT, BEGINNING IN FISCAL YEAR 2002-2003.

Grant is paid monthly upon approval.

EARLY READING SUCCESS

Payment is made pursuant to §10-265f, as amended by Section 21 of Public Act 01-01 (June Special Session), §10-265h, §10-265j and §10-266p, as amended by Section 33 of Public Act 01-01 (June Special Session). This program is intended to improve the reading skills of students in kindergarten to grade 3, inclusive, in Priority School Districts and in those towns with elementary schools that serve at least 40% of their lunches free or at a reduced price.

Approximately 90% of the program's annual appropriation is provided to current and former Priority School Districts and 9% is provided, on a competitive basis, to the other eligible school districts. (The remaining 1% of the appropriation is set-aside for administrative purposes.) Funding is also available for the two early childhood learning programs established under §10-265j.

Legislative changes reallocate the portion of the grant related to priority school district communities into the priority school district grant. The early reading success grant component related to the priority school district communities will be maintained as a separate component of the priority school district grant. The portion of the early success grant related to schools where 40% of lunches are served free will continue to be distributed as a separate grant.

Grant is paid monthly upon approval.

MAGNET SCHOOLS

Pursuant to §10-264l, as amended by Section 23 of Public Act 01-173, funding is provided for the operation of existing and newly opened interdistrict magnet school programs. In Fiscal Year 2000-2001, there were 22 such schools and a total of 27 such schools are expected to operate throughout the state in Fiscal Year 2001-2002. The appropriation also provides funding for transportation to out-of-town magnet schools. Districts receive 100% of the cost of such transportation, capped at \$1,200 per student. Any transportation costs not covered under this program are subject to reimbursement under the public school pupil transportation grant.

50% of the grant is paid by September 1st and the balance is paid by January 1st.

SCHOOL YEAR ACCOUNTABILITY

Payment is made pursuant to §10-223a, as amended by Public Act 01-166 and §10-266p, as amended by Section 33 of Public Act 01-01 (June Special Session). This program assists school children in Priority School Districts by allowing additional instruction to be provided to those students whose mastery test scores indicate that such instruction is needed.

For Fiscal Year 2002-2003, \$2.7 million is appropriated for this grant. However, legislative changes reallocate this grant into the priority school district grant. The school accountability grant will be maintained as a separate component of the priority school district grant.

Grant is paid monthly upon approval.

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	PILOT: State Owned		PILOT: Colleges & Hospitals		Mashantucket Pequot And Mohegan Fund Grant	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
	Andover	30,658	31,732	0	0	47,693
Ansonia	80,005	75,479	0	0	484,967	466,133
Ashford	7,377	7,180	0	0	68,184	66,461
Avon	75,311	77,124	0	0	63,992	64,176
Barkhamsted	19,973	17,928	0	0	38,977	39,122
Beacon Falls	36,919	44,088	0	0	83,062	81,458
Berlin	22,291	21,121	0	0	124,481	119,883
Bethany	49,384	48,654	32,695	31,576	61,287	58,323
Bethel	37,812	37,056	63,619	62,727	171,240	156,134
Bethlehem	1,741	1,751	0	0	29,640	30,289
Bloomfield	145,996	111,355	253,069	253,857	403,756	391,704
Bolton	37,169	36,187	0	0	58,648	58,154
Bozrah	3,880	3,548	0	0	37,728	32,369
Branford	62,438	60,859	36,166	35,569	186,653	177,109
Bridgeport	2,744,140	2,691,271	8,030,415	7,408,326	15,858,847	15,385,466
Bridgewater	237	288	0	0	11,979	10,437
Bristol	81,727	77,126	719,653	688,915	1,515,544	1,470,306
Brookfield	30,263	30,241	0	0	69,625	65,947
Brooklyn	203,895	206,204	0	0	160,353	181,083
Burlington	46,485	44,416	0	0	78,249	77,759
Canaan	73,944	69,532	0	0	47,559	42,133
Canterbury	17,006	12,333	0	0	110,448	106,757
Canton	4,993	9,002	0	0	51,710	51,731
Chaplin	60,942	58,893	0	0	213,924	207,539
Cheshire	2,731,333	2,581,472	0	0	392,070	724,724
Chester	10,214	9,465	0	0	33,449	35,058
Clinton	26,011	28,826	0	0	139,870	140,970
Colchester	78,767	74,501	0	0	218,373	203,253
Colebrook	3,840	4,384	0	0	19,803	18,238
Columbia	13,433	12,186	0	0	45,179	43,707
Cornwall	22,484	22,452	0	0	15,118	14,259
Coventry	48,930	46,033	0	0	178,201	168,395
Cromwell	24,421	23,399	144,529	139,729	160,536	154,239
Danbury	1,622,520	1,624,365	1,364,413	1,327,975	2,434,054	2,361,399
Darien	94,263	95,470	0	0	59,554	57,043
Deep River	9,011	9,931	0	0	45,977	47,149
Derby	167,184	137,983	1,078,927	853,230	652,319	632,847
Durham	17,695	19,046	0	0	63,609	63,443
Eastford	10,198	10,546	0	0	27,765	27,209
East Granby	741,219	706,637	0	0	442,111	400,314
East Haddam	22,509	21,175	0	0	75,940	72,154
East Hampton	133,941	128,914	0	0	192,281	184,899
East Hartford	75,300	165,302	0	0	788,558	765,020
East Haven	55,967	52,130	0	0	546,862	508,454
East Lyme	1,427,818	1,372,616	76,015	73,779	736,844	714,849
Easton	1,845	1,782	0	0	16,936	15,448
East Windsor	93,909	95,617	0	0	168,513	158,777
Ellington	5,546	5,244	0	0	129,400	128,460
Enfield	1,861,950	1,805,000	46,200	45,010	861,405	1,113,717
Essex	3,646	3,333	22,318	20,589	31,493	30,539
Fairfield	9,457	9,147	2,769,358	2,829,356	969,354	988,969
Farmington	2,564,399	2,483,741	26,695	27,205	1,484,295	1,368,499
Franklin	23,650	22,880	0	0	30,624	30,434
Glastonbury	32,623	29,234	0	0	123,704	115,603
Goshen	24,445	22,491	0	0	22,832	20,468
Granby	6,153	5,835	0	0	66,004	59,155
Greenwich	19,045	17,970	1,817,100	1,731,158	579,700	555,775
Griswold	46,893	39,982	0	0	325,290	304,599
Groton (Town of)	834,574	805,982	23,630	21,799	3,074,844	2,983,061
Guilford	19,669	18,514	12,422	11,798	91,289	87,107
Haddam	103,812	103,955	0	0	95,151	94,066

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Town Aid Road Fund Grant		Local Capital Improvement (LoCIP) Program		Miscellaneous Grants (See Explanation on Page E-3.)	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Andover	101,234	101,234	28,506	28,704	1,378	1,378
Ansonia	186,796	186,796	173,953	181,126	119,172	119,175
Ashford	156,959	156,959	54,018	53,837	14,220	14,220
Avon	167,495	167,495	92,425	96,408	3,115	3,115
Barkhamsted	107,016	107,016	37,347	36,657	4,811	4,811
Beacon Falls	92,991	92,991	35,715	34,943	1,184	1,184
Berlin	185,912	185,912	118,579	120,390	39,258	39,258
Bethany	111,181	111,181	44,015	45,094	1,777	1,777
Bethel	188,273	188,273	118,079	117,964	2,411	2,411
Bethlehem	118,421	118,421	34,929	35,036	1,105	1,105
Bloomfield	200,200	200,200	124,872	125,237	149,085	149,087
Bolton	111,710	111,710	40,468	40,593	2,127	2,127
Bozrah	96,826	96,826	26,799	27,011	1,622	1,622
Branford	245,932	245,932	164,991	170,930	428,920	428,945
Bridgeport	889,654	889,654	2,289,790	2,295,174	2,292,142	2,297,865
Bridgewater	96,698	96,698	25,152	25,125	2,670	2,670
Bristol	430,899	430,899	502,268	507,337	376,884	376,918
Brookfield	172,885	172,885	101,664	103,285	21,076	21,076
Brooklyn	133,827	133,827	68,762	69,525	1,162	1,162
Burlington	139,638	139,638	71,217	71,025	2,437	2,437
Canaan	88,123	88,123	20,065	19,544	28,196	28,210
Canterbury	119,797	119,797	59,408	58,238	936	936
Canton	138,141	138,141	62,231	63,482	15,778	15,778
Chaplin	104,269	104,269	31,146	29,776	581	581
Cheshire	239,567	239,567	180,361	185,765	22,465	22,469
Chester	106,736	106,736	29,698	28,731	21,472	21,472
Clinton	160,828	160,828	93,902	91,162	77,607	77,607
Colchester	189,420	189,420	112,319	118,840	22,040	22,044
Colebrook	109,140	109,140	26,283	26,381	272	272
Columbia	113,068	113,068	39,244	38,921	4,205	4,205
Cornwall	116,696	116,696	33,988	33,864	0	0
Coventry	167,739	167,739	101,099	101,606	19,863	19,864
Cromwell	158,062	158,062	85,345	82,542	15,299	15,299
Danbury	480,905	480,905	453,630	491,317	820,235	820,281
Darien	189,197	189,197	104,773	109,528	33,128	33,129
Deep River	109,986	109,986	33,940	32,934	7,133	7,133
Derby	153,079	153,079	104,679	105,121	1,661	1,661
Durham	126,662	126,662	54,086	54,326	14,858	14,858
Eastford	92,293	92,293	23,417	24,126	1,015	1,015
East Granby	108,918	108,918	32,771	33,462	15,069	15,069
East Haddam	188,836	188,836	88,339	90,068	28,537	28,537
East Hampton	171,164	171,164	87,872	96,658	29,490	29,492
East Hartford	359,741	359,741	405,692	423,733	422,350	422,382
East Haven	242,827	242,827	229,069	237,776	30,697	30,705
East Lyme	176,451	176,451	117,263	124,789	64,447	64,454
Easton	125,470	125,470	65,681	66,311	4,814	4,814
East Windsor	148,008	148,008	76,041	74,908	1,137	1,137
Ellington	186,215	186,215	95,206	98,176	17,849	17,849
Enfield	339,945	339,945	331,287	336,132	228,391	228,411
Essex	119,996	119,996	41,469	41,695	42,628	42,632
Fairfield	400,363	400,363	369,389	379,446	104,716	104,730
Farmington	208,677	208,677	125,197	133,617	21,704	21,704
Franklin	67,330	67,330	17,791	17,912	736	736
Glastonbury	264,316	264,316	191,058	197,761	33,916	33,922
Goshen	140,573	140,573	42,972	43,168	1,061	1,061
Granby	147,212	147,212	78,051	81,803	16,115	16,115
Greenwich	424,057	424,057	327,823	333,997	142,411	142,411
Griswold	106,245	106,245	96,845	97,675	17,334	17,334
Groton (Town of)	251,854	251,854	251,489	244,908	465,950	487,099
Guilford	211,457	211,457	139,178	140,598	81,595	81,606
Haddam	137,078	137,078	71,194	70,655	14,141	14,141

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Public School Pupil Transportation		Non-Public School Pupil Transportation		Adult Education	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Andover	46,857	47,241	0	0	0	0
Ansonia	259,103	261,215	25,422	25,422	86,966	84,331
Ashford	151,016	152,245	0	0	0	0
Avon	5,479	5,517	0	0	829	862
Barkhamsted	40,237	40,544	0	0	1,134	1,196
Beacon Falls	0	0	0	0	0	0
Berlin	120,766	121,726	6,933	6,933	7,015	7,895
Bethany	28,383	28,613	0	0	0	0
Bethel	145,976	147,166	13,737	13,737	5,345	6,146
Bethlehem	0	0	0	0	0	0
Bloomfield	124,146	125,144	0	0	20,349	20,845
Bolton	111,345	112,228	0	0	2,333	2,350
Bozrah	56,357	56,818	0	0	4,439	4,446
Branford	176,503	177,924	9,504	9,504	19,752	21,801
Bridgeport	3,076,383	3,017,232	533,777	533,777	1,196,393	1,130,591
Bridgewater	0	0	0	0	0	0
Bristol	806,154	812,682	209,831	209,831	218,199	215,262
Brookfield	70,854	71,430	4,307	4,307	1,782	1,947
Brooklyn	303,621	306,079	0	0	22,827	21,962
Burlington	0	0	0	0	0	0
Canaan	16,483	16,598	0	0	0	0
Canterbury	240,367	242,325	0	0	11,280	10,649
Canton	103,309	104,154	0	0	1,495	1,519
Chaplin	68,948	69,524	0	0	2,029	1,966
Cheshire	228,333	230,176	20,841	20,841	26,558	27,508
Chester	12,393	12,508	0	0	0	0
Clinton	216,517	218,283	0	0	3,714	3,811
Colchester	389,658	392,807	0	0	19,800	19,193
Colebrook	8,659	8,736	0	0	281	327
Columbia	91,124	91,854	0	0	1,552	1,518
Cornwall	1,000	1,000	0	0	0	0
Coventry	321,641	324,252	0	0	8,168	7,868
Cromwell	165,591	166,935	0	0	17,226	15,813
Danbury	694,890	700,496	195,472	195,472	111,598	105,172
Darien	1,000	1,000	0	0	29	61
Deep River	21,633	21,825	0	0	0	0
Derby	141,449	142,601	20,654	20,654	67,788	63,201
Durham	0	0	0	0	0	0
Eastford	50,114	50,536	0	0	1,521	1,654
East Granby	25,191	25,383	0	0	793	833
East Haddam	142,775	143,927	0	0	5,330	5,132
East Hampton	248,264	250,261	0	0	20,031	19,705
East Hartford	760,894	767,038	62,368	62,368	100,481	97,603
East Haven	497,970	502,002	36,580	36,580	343,045	333,786
East Lyme	183,718	185,216	0	0	13,642	13,660
Easton	1,000	1,000	0	0	109	99
East Windsor	185,004	186,502	0	0	8,658	8,746
Ellington	342,911	345,676	0	0	7,147	7,000
Enfield	668,165	673,579	157,920	157,920	57,960	54,843
Essex	4,752	4,790	0	0	0	0
Fairfield	35,403	35,672	9,041	9,041	10,004	10,373
Farmington	36,803	37,110	0	0	2,722	3,061
Franklin	37,723	38,030	0	0	1,912	2,156
Glastonbury	124,513	125,511	0	0	4,982	5,255
Goshen	0	0	0	0	0	0
Granby	96,593	97,361	0	0	2,031	2,277
Greenwich	1,000	1,000	0	0	0	779
Griswold	404,786	408,050	20,235	20,235	48,233	45,848
Groton (Town of)	629,441	634,548	57,838	57,838	105,382	103,064
Guilford	98,637	99,443	0	0	2,643	2,869
Haddam	0	0	0	0	0	0

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Education Cost Sharing Grant		TOTAL Statutory Formula Grants	
	2001-2002	2002-2003	2001-2002	2002-2003
Andover	1,509,470	1,607,628	1,765,796	1,864,134
Ansonia	11,218,572	11,525,353	12,634,957	12,925,031
Ashford	3,036,660	3,198,389	3,488,434	3,649,290
Avon	311,777	475,342	720,423	890,039
Barkhamsted	1,176,454	1,133,876	1,425,949	1,381,150
Beacon Falls	3,010,322	3,041,291	3,260,192	3,295,955
Berlin	3,663,534	3,941,203	4,288,769	4,564,320
Bethany	1,473,105	1,495,910	1,801,827	1,821,129
Bethel	7,138,053	6,879,713	7,884,544	7,611,327
Bethlehem	1,099,675	1,134,835	1,285,510	1,321,437
Bloomfield	2,371,576	2,421,011	3,793,049	3,798,440
Bolton	2,209,545	2,310,548	2,573,345	2,673,897
Bozrah	1,027,142	989,968	1,254,793	1,212,607
Branford	1,250,097	1,275,244	2,580,956	2,603,817
Bridgeport	136,818,542	137,444,066	173,730,082	173,093,422
Bridgewater	75,546	84,603	212,281	219,820
Bristol	31,683,759	32,319,465	36,544,918	37,108,741
Brookfield	1,164,557	1,122,410	1,637,013	1,593,528
Brooklyn	5,786,337	5,576,918	6,680,784	6,496,760
Burlington	3,107,930	3,249,471	3,445,956	3,584,746
Canaan	181,707	179,407	456,077	443,547
Canterbury	4,199,372	4,047,388	4,758,614	4,598,423
Canton	2,204,176	2,328,244	2,581,833	2,712,051
Chaplin	1,619,836	1,561,211	2,101,675	2,033,758
Cheshire	7,348,609	7,082,648	11,190,137	11,115,170
Chester	590,950	569,562	804,912	783,531
Clinton	5,743,936	5,536,051	6,462,385	6,257,538
Colchester	9,728,469	10,304,373	10,758,845	11,324,430
Colebrook	263,530	297,680	431,808	465,159
Columbia	2,001,793	2,029,566	2,309,598	2,335,025
Cornwall	28,918	42,200	218,204	230,471
Coventry	7,418,066	7,255,784	8,263,707	8,091,541
Cromwell	3,081,286	3,123,139	3,852,295	3,879,158
Danbury	14,161,519	14,629,687	22,339,236	22,737,069
Darien	379,724	609,761	861,668	1,095,189
Deep River	1,491,196	1,450,933	1,718,876	1,679,891
Derby	5,108,007	5,339,186	7,495,746	7,449,562
Durham	3,076,168	3,126,251	3,353,078	3,404,585
Eastford	929,409	895,772	1,135,732	1,103,152
East Granby	525,075	596,537	1,891,146	1,887,153
East Haddam	2,878,247	2,858,578	3,430,512	3,408,406
East Hampton	5,925,625	5,833,906	6,808,669	6,715,000
East Hartford	26,941,033	28,997,192	29,916,417	32,060,379
East Haven	15,132,798	15,729,741	17,115,815	17,674,001
East Lyme	5,944,240	6,083,137	8,740,437	8,808,951
Easton	194,778	262,633	410,633	477,557
East Windsor	3,953,672	4,090,347	4,634,943	4,764,042
Ellington	7,504,348	7,435,794	8,288,622	8,224,414
Enfield	22,894,680	22,066,076	27,447,904	26,820,634
Essex	173,177	206,018	439,479	469,592
Fairfield	1,388,821	1,747,916	6,065,905	6,515,013
Farmington	474,672	694,370	4,945,163	4,977,984
Franklin	698,017	672,754	877,782	852,232
Glastonbury	3,165,304	3,423,069	3,940,416	4,194,671
Goshen	119,206	136,224	351,089	363,985
Granby	3,339,861	3,554,276	3,752,021	3,964,035
Greenwich	931,827	1,425,122	4,242,963	4,632,269
Griswold	9,208,415	8,956,830	10,274,276	9,996,798
Groton (Town of)	22,275,123	21,468,942	27,970,125	27,059,095
Guilford	2,717,306	2,618,962	3,374,195	3,272,354
Haddam	369,328	513,713	790,704	933,608

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	PILOT: State Owned		PILOT: Colleges & Hospitals		Mashantucket Pequot And Mohegan Fund Grant	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Hamden	793,519	552,156	1,784,579	1,666,665	2,403,422	2,331,681
Hampton	47,207	42,256	0	0	50,585	45,383
Hartford	5,847,405	6,091,917	18,469,522	17,665,558	18,117,732	17,845,586
Hartland	163,231	161,553	0	0	112,690	106,721
Harwinton	9,447	8,878	0	0	41,073	38,864
Hebron	6,794	9,912	0	0	80,659	74,853
Kent	80,901	81,198	0	0	58,856	56,369
Killingly	236,173	221,025	0	0	567,904	493,294
Killingworth	150,132	142,562	0	0	125,326	110,691
Lebanon	16,779	16,170	0	0	89,488	95,217
Ledyard	12,035	12,031	0	0	695,043	945,086
Lisbon	5,142	4,702	0	0	84,425	73,602
Litchfield	104,394	99,895	0	0	108,743	106,007
Lyme	23,813	22,794	250	242	16,731	15,620
Madison	861,467	815,655	0	0	531,658	473,781
Manchester	496,766	627,298	1,274,150	733,877	1,530,931	1,485,234
Mansfield	5,055,929	4,496,866	0	0	3,075,000	2,687,656
Marlborough	20,676	18,781	2,828	2,692	54,689	50,855
Meriden	571,516	509,697	1,187,616	1,105,718	2,321,354	2,252,062
Middlebury	7,301	6,918	43,526	41,607	39,612	38,244
Middlefield	9,087	10,946	0	0	47,902	44,465
Middletown	2,542,554	3,006,167	4,404,281	4,244,538	3,207,481	3,111,738
Milford	470,295	531,628	456,326	381,321	1,021,183	990,701
Monroe	0	0	0	0	109,261	117,551
Montville	1,302,089	1,225,917	0	0	601,736	1,301,254
Morris	1,059	17,630	0	0	21,763	22,246
Naugatuck	17,263	45,236	0	0	556,996	547,673
New Britain	3,690,449	3,790,863	3,837,748	3,613,703	5,882,908	5,707,305
New Canaan	10,684	10,353	0	0	14,131	12,624
New Fairfield	19,700	14,142	0	0	72,937	65,373
New Hartford	12,672	12,137	0	0	60,971	66,583
New Haven	3,689,981	3,376,069	29,180,135	28,264,486	17,812,405	17,526,281
Newington	794,845	716,651	472,840	340,826	849,998	734,267
New London	240,345	230,858	6,175,222	5,719,912	3,999,031	3,879,661
New Milford	27,041	25,928	246,733	238,567	263,048	256,009
Newtown	1,808,592	1,783,186	0	0	630,681	736,271
Norfolk	34,148	32,904	46,073	44,976	44,240	41,483
North Branford	69	66	1,038	999	146,687	141,599
North Canaan	24,850	24,346	0	0	62,260	59,334
North Haven	245,545	114,563	0	0	405,406	393,305
North Stonington	27,284	29,223	0	0	327,521	833,492
Norwalk	450,943	423,435	1,592,487	1,564,614	2,190,738	2,125,346
Norwich	787,449	722,925	1,168,053	1,101,088	2,508,896	3,205,435
Old Lyme	46,075	42,395	25,000	29,386	48,482	46,299
Old Saybrook	34,950	43,314	0	0	49,920	52,131
Orange	13,307	9,997	840	1,689	41,484	39,852
Oxford	260,884	214,971	0	0	221,529	182,510
Plainfield	56,048	47,393	0	0	527,740	575,465
Plainville	471	444	0	0	236,689	224,041
Plymouth	4,812	7,239	0	0	223,327	211,408
Pomfret	38,537	38,404	0	0	51,913	52,064
Portland	46,845	45,539	0	0	109,248	103,337
Preston	415,716	257,400	0	0	961,416	1,447,881
Prospect	1,854	1,884	0	0	101,923	99,762
Putnam	61,795	59,181	366,689	348,061	354,937	366,685
Redding	87,964	85,493	0	0	59,996	54,394
Ridgefield	154,531	154,901	0	0	113,709	108,157
Rocky Hill	595,038	526,354	0	0	721,433	699,898
Roxbury	4,947	4,564	0	0	11,803	10,425
Salem	35,314	33,889	0	0	56,559	50,478
Salisbury	8,440	9,545	0	0	14,218	13,484

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Town Aid Road Fund Grant		Local Capital Improvement (LoCIP) Program		Miscellaneous Grants (See Explanation on Page E-3.)	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Hamden	398,369	398,369	403,221	422,113	203,962	203,985
Hampton	101,783	101,783	29,783	30,446	325	325
Hartford	838,275	838,275	2,112,011	1,847,061	2,181,244	2,306,387
Hartland	76,375	76,375	20,133	20,220	717	717
Harwinton	125,165	125,165	52,295	50,872	1,199	1,199
Hebron	132,941	132,941	68,546	70,148	40,503	40,525
Kent	142,097	142,097	44,374	43,264	842	842
Killingly	205,512	205,512	146,323	151,822	1,721	1,721
Killingworth	134,876	134,876	55,038	55,845	17,913	17,913
Lebanon	163,827	163,827	73,328	75,033	2,507	2,507
Ledyard	172,412	172,412	116,751	117,424	33,647	33,651
Lisbon	95,341	95,341	33,070	33,709	1,913	1,913
Litchfield	196,900	196,900	90,472	87,422	3,905	3,905
Lyme	96,212	96,212	26,334	26,323	6,780	6,780
Madison	179,885	179,885	110,502	114,371	107,254	107,269
Manchester	392,895	392,895	415,497	405,671	138,074	138,097
Mansfield	215,814	215,814	193,966	201,274	92,689	92,692
Marlborough	117,995	117,995	52,001	50,744	2,534	2,534
Meriden	416,249	416,249	524,461	530,004	322,830	322,864
Middlebury	120,897	120,897	52,133	52,578	3,154	3,154
Middlefield	107,752	107,752	33,668	33,348	3,673	3,673
Middletown	366,028	366,028	323,193	314,636	250,279	250,296
Milford	364,410	364,410	377,095	382,047	246,759	246,782
Monroe	208,247	208,247	139,986	139,087	17,918	17,918
Montville	182,486	182,486	134,310	142,218	33,916	33,921
Morris	92,231	92,231	22,550	22,829	6,350	6,350
Naugatuck	260,259	260,259	247,313	249,645	107,861	107,873
New Britain	494,839	494,839	971,544	969,621	828,611	828,669
New Canaan	189,538	189,538	115,767	118,163	110,401	110,402
New Fairfield	162,997	162,997	82,021	82,013	23,013	23,013
New Hartford	147,527	147,527	65,179	63,209	2,130	2,130
New Haven	801,953	801,953	1,848,528	1,803,191	3,141,142	3,278,749
Newington	251,220	251,220	211,460	213,141	28,328	28,337
New London	235,265	235,265	316,620	303,670	589,837	586,241
New Milford	308,343	308,343	196,233	199,428	103,756	103,763
Newtown	261,295	261,295	196,390	197,620	89,395	89,402
Norfolk	130,536	130,536	36,037	34,802	188	188
North Branford	167,582	167,582	97,142	95,254	4,048	4,048
North Canaan	103,954	103,954	32,519	31,471	181	181
North Haven	214,265	214,265	151,972	152,857	87,387	87,390
North Stonington	141,258	141,258	51,269	51,168	3,642	3,642
Norwalk	542,660	542,660	616,304	643,924	1,006,598	1,006,649
Norwich	289,980	289,980	302,953	310,536	293,659	343,731
Old Lyme	126,697	126,697	49,062	50,810	49,103	49,109
Old Saybrook	140,123	140,123	70,993	72,036	73,165	73,188
Orange	155,714	155,714	97,397	98,251	27,617	27,621
Oxford	141,913	141,913	85,284	86,451	8,887	8,887
Plainfield	179,431	179,431	148,547	141,080	52,112	52,148
Plainville	181,937	181,937	128,920	132,256	92,405	92,415
Plymouth	155,783	155,783	103,655	100,870	3,454	3,454
Pomfret	130,289	130,289	47,252	47,366	447	447
Portland	136,892	136,892	67,351	66,128	28,858	28,858
Preston	110,321	110,321	48,258	48,578	15,159	15,159
Prospect	133,155	133,155	65,167	66,010	16,243	16,243
Putnam	136,749	136,749	83,036	81,651	603	603
Redding	148,327	148,327	69,983	69,622	2,972	2,972
Ridgefield	215,766	215,766	153,956	155,691	19,483	19,483
Rocky Hill	190,278	190,278	104,146	106,763	21,558	21,560
Roxbury	167,842	167,842	36,795	36,913	172	172
Salem	102,810	102,810	33,291	34,624	2,041	2,041
Salisbury	153,164	153,164	46,947	46,453	2,115	2,115

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Public School Pupil Transportation		Non-Public School Pupil Transportation		Adult Education	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Hamden	1,062,357	1,070,959	206,993	206,993	180,580	174,289
Hampton	47,335	47,719	0	0	1,228	1,208
Hartford	2,212,027	2,229,921	28,350	28,350	3,435,903	3,249,093
Hartland	55,771	56,232	0	0	1,417	1,475
Harwinton	0	0	0	0	0	0
Hebron	92,444	93,174	0	0	0	0
Kent	24,085	24,277	0	0	0	0
Killingly	365,194	368,151	20,845	20,845	83,052	78,711
Killingworth	0	0	0	0	0	0
Lebanon	224,209	226,014	0	0	3,837	3,736
Ledyard	421,736	425,154	0	0	15,528	16,058
Lisbon	161,112	162,418	0	0	10,749	10,236
Litchfield	88,382	89,112	245	245	1,491	1,361
Lyme	0	0	0	0	0	0
Madison	36,908	37,215	2,473	2,473	1,687	1,893
Manchester	702,457	708,140	135,805	135,805	175,049	148,525
Mansfield	328,301	330,951	0	0	0	0
Marlborough	55,863	56,324	0	0	0	0
Meriden	774,660	780,919	290,909	290,909	923,589	874,173
Middlebury	0	0	0	0	0	0
Middlefield	0	0	0	0	0	0
Middletown	823,490	830,133	121,457	121,457	1,044,812	1,036,198
Milford	300,628	303,047	55,969	55,969	33,530	32,273
Monroe	153,044	154,273	8,475	8,475	10,296	10,681
Montville	388,725	391,874	14,182	14,182	21,672	21,211
Morris	0	0	0	0	0	0
Naugatuck	585,329	590,052	58,304	58,304	207,877	201,084
New Britain	2,125,857	2,143,060	655,224	655,224	849,216	804,113
New Canaan	1,000	1,000	0	0	23	0
New Fairfield	65,204	65,742	0	0	3,074	3,143
New Hartford	98,947	99,753	0	0	2,289	2,230
New Haven	3,424,999	3,452,685	333,919	333,919	2,476,553	2,343,463
Newington	345,678	348,481	13,260	13,260	16,875	17,875
New London	406,035	409,299	79,158	79,158	840,356	791,738
New Milford	371,027	374,022	1,663	1,663	61,622	60,276
Newtown	189,054	190,590	17,241	17,241	3,244	3,155
Norfolk	13,227	13,342	0	0	321	370
North Branford	298,997	301,416	0	0	7,461	7,426
North Canaan	92,547	93,277	0	0	0	0
North Haven	106,803	107,648	0	0	10,367	10,619
North Stonington	160,542	161,848	0	0	6,942	7,152
Norwalk	226,638	228,481	24,152	24,152	50,598	53,127
Norwich	1,143,591	1,152,845	94,341	94,341	403,103	380,933
Old Lyme	0	0	0	0	0	0
Old Saybrook	15,329	15,444	253	253	6,850	7,667
Orange	20,016	20,170	55	55	0	0
Oxford	156,325	157,592	0	0	774	717
Plainfield	600,394	605,232	67,641	67,641	87,232	82,873
Plainville	377,572	380,606	0	0	153,355	155,424
Plymouth	369,050	372,045	0	0	2,747	2,687
Pomfret	96,389	97,157	0	0	3,611	3,298
Portland	144,223	145,375	0	0	13,928	13,984
Preston	266,232	268,382	1,751	1,751	16,933	16,730
Prospect	0	0	0	0	0	0
Putnam	218,925	220,691	8,014	8,014	48,237	46,531
Redding	1,000	1,000	0	0	43	75
Ridgefield	2,171	2,171	0	0	230	206
Rocky Hill	131,779	132,854	0	0	10,448	9,389
Roxbury	0	0	0	0	0	0
Salem	122,883	123,881	0	0	3,417	3,403
Salisbury	3,486	3,524	0	0	0	0

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Education Cost Sharing Grant		TOTAL Statutory Formula Grants	
	2001-2002	2002-2003	2001-2002	2002-2003
Hamden	14,640,699	15,802,875	22,077,701	22,830,085
Hampton	1,177,704	1,148,559	1,455,949	1,417,680
Hartford	160,649,688	157,436,694	213,892,157	209,538,842
Hartland	1,187,146	1,144,180	1,617,480	1,567,472
Harwinton	2,311,647	2,227,984	2,540,826	2,452,963
Hebron	5,150,264	5,145,926	5,572,151	5,567,479
Kent	92,218	104,684	443,372	452,730
Killingly	13,045,069	12,666,157	14,671,792	14,207,237
Killingworth	1,977,102	1,891,052	2,460,386	2,352,939
Lebanon	4,496,840	4,380,312	5,070,814	4,962,816
Ledyard	10,209,066	9,938,540	11,676,218	11,660,356
Lisbon	3,352,797	3,231,453	3,744,550	3,613,374
Litchfield	867,030	989,891	1,461,562	1,574,738
Lyme	50,852	71,842	220,972	239,813
Madison	744,101	862,161	2,575,935	2,594,703
Manchester	23,920,517	24,139,785	29,182,142	28,915,327
Mansfield	8,372,503	8,340,962	17,334,201	16,366,214
Marlborough	2,654,220	2,558,159	2,960,805	2,858,083
Meriden	40,448,722	42,111,084	47,781,907	49,193,680
Middlebury	282,233	337,517	548,857	600,915
Middlefield	1,483,799	1,584,412	1,685,881	1,784,596
Middletown	10,675,284	11,559,845	23,758,859	24,841,036
Milford	9,514,660	9,170,306	12,840,855	12,458,484
Monroe	5,502,625	5,303,474	6,149,852	5,959,706
Montville	10,301,099	10,174,242	12,980,215	13,487,305
Morris	583,574	566,037	727,527	727,323
Naugatuck	24,779,286	23,882,475	26,820,487	25,942,601
New Britain	53,906,442	56,740,467	73,242,837	75,747,864
New Canaan	345,712	575,116	787,255	1,017,196
New Fairfield	3,891,511	3,750,670	4,320,457	4,167,093
New Hartford	2,516,823	2,555,922	2,906,537	2,949,491
New Haven	120,560,079	120,094,664	183,269,693	181,275,461
Newington	8,024,037	8,495,654	11,008,541	11,159,712
New London	19,337,840	19,379,199	32,219,709	31,615,002
New Milford	10,084,016	10,022,590	11,663,483	11,590,589
Newtown	3,802,432	3,664,815	6,998,324	6,943,575
Norfolk	339,026	326,756	643,795	625,357
North Branford	6,809,581	6,563,129	7,532,605	7,281,519
North Canaan	1,765,331	1,701,440	2,081,642	2,014,003
North Haven	1,657,773	1,598,691	2,879,518	2,679,338
North Stonington	2,569,491	2,476,496	3,287,949	3,704,279
Norwalk	8,266,141	8,169,106	14,967,259	14,781,494
Norwich	25,653,482	26,255,426	32,645,507	33,857,240
Old Lyme	242,772	317,887	587,191	662,583
Old Saybrook	296,598	357,161	688,180	761,318
Orange	442,059	542,248	798,489	895,598
Oxford	3,766,533	3,630,215	4,642,129	4,423,256
Plainfield	13,079,007	12,605,652	14,798,153	14,356,915
Plainville	7,750,079	7,981,278	8,921,427	9,148,401
Plymouth	8,103,718	7,869,472	8,966,547	8,722,958
Pomfret	2,360,430	2,395,134	2,728,869	2,764,158
Portland	3,044,672	3,167,127	3,592,017	3,707,239
Preston	2,527,683	2,439,446	4,363,468	4,605,647
Prospect	4,109,172	4,008,452	4,427,514	4,325,506
Putnam	6,777,207	6,855,362	8,056,191	8,123,527
Redding	193,291	285,992	563,577	647,875
Ridgefield	566,942	847,829	1,226,788	1,504,204
Rocky Hill	2,174,508	2,103,010	3,949,188	3,790,107
Roxbury	53,707	74,969	275,266	294,886
Salem	2,577,529	2,572,317	2,933,844	2,923,443
Salisbury	74,258	97,520	302,629	325,806

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	PILOT: State Owned		PILOT: Colleges & Hospitals		Mashantucket Pequot And Mohegan Fund Grant	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Scotland	16,514	16,627	0	0	33,027	33,032
Seymour	11,451	10,454	0	0	178,037	173,572
Sharon	17,223	20,979	206,589	194,071	77,766	75,552
Shelton	14,589	13,876	0	0	246,873	235,591
Sherman	37	38	0	0	13,203	12,502
Simsbury	66,992	64,635	0	0	105,260	99,699
Somers	2,001,136	1,906,766	0	0	272,702	518,753
Southbury	432,258	425,213	0	0	309,220	290,936
Southington	39,214	38,519	217,005	215,079	413,052	409,338
South Windsor	11,736	11,141	0	0	140,041	136,907
Sprague	4,593	3,996	0	0	67,245	62,030
Stafford	27,216	27,410	227,725	322,241	308,337	339,665
Stamford	1,607,614	1,496,912	2,309,968	2,370,419	2,370,965	2,300,192
Sterling	3,847	3,824	0	0	79,249	79,444
Stonington	21,095	19,773	0	0	99,469	89,019
Stratford	426,791	375,027	0	0	703,333	643,734
Suffield	3,153,129	2,983,954	0	0	695,163	948,270
Thomaston	66,166	63,660	0	0	125,822	126,059
Thompson	4,492	6,432	0	0	221,742	200,758
Tolland	64,498	68,110	0	0	146,939	142,517
Torrington	260,847	236,199	445,034	420,739	883,443	857,782
Trumbull	56,794	60,723	0	0	146,613	138,400
Union	33,803	31,979	0	0	57,511	55,794
Vernon	391,163	373,710	402,629	408,094	788,737	745,572
Voluntown	77,262	71,405	0	0	236,833	229,763
Wallingford	59,704	62,657	540,189	525,597	576,314	576,624
Warren	13,490	12,475	0	0	12,175	9,710
Washington	19,018	17,975	0	0	17,752	16,241
Waterbury	2,635,825	2,926,571	5,922,006	6,650,764	7,818,332	7,584,958
Waterford	312,515	294,446	27,227	25,884	230,560	215,408
Watertown	22,505	24,262	0	0	259,897	262,306
Westbrook	48,718	44,999	0	0	50,102	46,626
West Hartford	323,441	307,172	1,342,476	1,309,067	827,520	825,115
West Haven	9,842	8,979	795,432	831,255	1,392,690	1,385,499
Weston	0	0	0	0	12,289	11,436
Westport	328,407	246,580	0	0	197,227	142,853
Wethersfield	304,765	292,486	0	0	560,948	544,204
Willington	44,516	45,921	0	0	120,726	114,915
Wilton	41,579	41,245	0	0	34,773	32,650
Winchester	121,189	119,512	99,280	98,962	292,643	288,934
Windham	2,451,199	2,119,684	915,095	882,537	1,974,297	1,915,365
Windsor	82,440	86,756	0	0	264,919	274,130
Windsor Locks	2,882,456	2,710,642	0	0	1,139,368	1,105,359
Wolcott	4,702	4,495	0	0	185,112	200,516
Woodbridge	20,835	14,471	3,317	2,204	23,912	20,092
Woodbury	222	210	0	0	46,659	44,148
Woodstock	10,788	9,867	0	0	72,931	73,970
Boroughs						
Bantam	N/E	0	0	0	N/E	N/E
Danielson	N/E	14,746	0	0	N/E	N/E
Fenwick	N/E	0	0	0	N/E	N/E
Groton (City of)	N/E	0	0	0	N/E	N/E
Groton Long Point	N/E	0	0	0	N/E	N/E
Jewett City	N/E	0	0	0	N/E	N/E
Litchfield	N/E	1,179	0	0	N/E	N/E
Newtown	N/E	0	0	0	N/E	N/E
Stonington	N/E	0	0	0	N/E	N/E
Woodmont	N/E	0	0	0	N/E	N/E

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Town Aid Road Fund Grant		Local Capital Improvement (LoCIP) Program		Miscellaneous Grants (See Explanation on Page E-3.)	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Scotland	81,345	81,345	21,327	21,573	82	82
Seymour	169,114	169,114	111,935	113,755	3,238	3,238
Sharon	177,287	177,287	51,899	51,262	310	310
Shelton	308,393	308,393	275,605	268,495	47,725	47,734
Sherman	107,973	107,973	25,925	27,762	5,820	5,820
Simsbury	213,358	213,358	156,676	159,873	23,019	23,019
Somers	148,978	148,978	83,238	86,341	872	872
Southbury	212,260	212,260	119,204	122,563	5,798	5,798
Southington	313,651	313,651	275,517	272,915	124,073	124,086
South Windsor	220,066	220,066	158,579	161,642	28,146	28,154
Sprague	82,877	82,877	27,881	27,277	705	705
Stafford	220,147	220,147	116,003	112,653	23,449	23,456
Stamford	734,904	734,904	771,943	797,860	1,973,378	1,973,424
Sterling	102,073	102,073	39,474	40,075	123	123
Stonington	166,754	166,754	111,767	115,728	104,474	104,479
Stratford	372,740	372,740	401,140	397,414	194,154	194,180
Suffield	150,751	150,751	74,397	80,617	19,656	19,656
Thomaston	126,817	126,817	53,861	53,038	15,131	15,131
Thompson	142,007	142,007	96,764	96,168	3,025	3,025
Tolland	184,180	184,180	110,565	110,446	34,199	34,206
Torrington	292,187	292,187	267,628	269,242	99,004	99,028
Trumbull	281,351	281,351	249,577	244,539	50,522	50,533
Union	65,036	65,036	15,132	14,757	520	520
Vernon	255,403	255,403	234,367	223,591	33,678	33,687
Voluntown	91,208	91,208	25,857	26,996	1,827	1,827
Wallingford	330,765	330,765	291,563	297,232	119,825	119,839
Warren	96,870	96,870	22,350	22,083	455	455
Washington	176,905	176,905	56,923	55,647	4,067	4,067
Waterbury	697,207	697,207	1,163,820	1,198,373	1,128,928	1,129,013
Waterford	189,018	189,018	114,175	116,511	47,468	47,468
Watertown	215,756	215,756	165,833	161,415	4,900	4,900
Westbrook	116,625	116,625	39,700	41,221	111,912	111,912
West Hartford	428,991	428,991	442,359	467,352	173,655	173,675
West Haven	386,792	386,792	583,470	571,961	143,952	143,980
Weston	137,804	137,804	63,865	66,758	17,280	17,280
Westport	225,590	225,590	143,889	147,735	181,773	181,781
Wethersfield	241,153	241,153	187,385	189,778	25,355	25,363
Willington	141,210	141,210	63,550	63,592	14,462	14,462
Wilton	181,623	181,623	113,235	114,598	28,387	28,387
Winchester	171,278	171,278	95,631	93,112	32,179	32,182
Windham	208,299	208,299	209,089	219,730	332,372	332,381
Windsor	247,625	247,625	189,076	189,517	35,665	35,671
Windsor Locks	152,922	152,922	80,759	78,223	20,393	20,393
Wolcott	175,413	175,413	118,530	115,183	4,802	4,802
Woodbridge	137,436	137,436	66,269	66,286	20,173	20,173
Woodbury	159,446	159,446	76,256	76,782	2,483	2,483
Woodstock	193,023	193,023	84,180	85,045	2,289	2,289
Boroughs						
Bantam	0	0	348	331	72	72
Danielson	0	0	4,653	4,821	122	122
Fenwick	2,885	2,885	302	341	0	0
Groton (City of)	70,151	70,151	21,537	21,113	3,386	3,386
Groton Long Point	0	0	3,644	3,657	1,292	1,292
Jewett City	44,833	44,833	3,020	2,928	154	154
Litchfield	0	0	914	825	19	19
Newtown	0	0	519	505	0	0
Stonington	12,377	12,377	1,427	1,851	2,076	2,076
Woodmont	13,318	13,318	296	284	0	0

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Public School Pupil Transportation		Non-Public School Pupil Transportation		Adult Education	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Scotland	49,045	49,429	0	0	1,283	1,203
Seymour	213,535	215,263	0	0	39,565	38,025
Sharon	2,663	2,701	0	0	0	0
Shelton	253,494	255,529	37,331	37,331	29,488	29,348
Sherman	3,352	3,390	0	0	155	140
Simsbury	66,259	66,797	6,459	6,459	2,734	2,986
Somers	168,755	170,137	0	0	6,700	6,566
Southbury	0	0	0	0	0	0
Southington	313,497	316,031	39,324	39,324	15,451	15,014
South Windsor	261,053	263,165	0	0	6,743	6,497
Sprague	120,045	121,005	9,824	9,824	11,533	10,815
Stafford	474,640	478,480	31,340	31,340	15,147	14,603
Stamford	202,224	203,875	40,177	40,177	185,112	194,368
Sterling	128,766	129,803	0	0	9,522	9,045
Stonington	119,378	120,338	7,126	7,126	16,200	16,877
Stratford	629,221	634,290	85,049	85,049	67,390	66,719
Suffield	118,892	119,852	0	0	3,434	3,253
Thomaston	150,754	151,983	7,981	7,981	33,715	32,321
Thompson	213,212	214,940	15,010	15,010	41,259	39,116
Tolland	281,899	284,165	0	0	6,013	5,941
Torrington	735,943	741,895	67,452	67,452	56,530	54,771
Trumbull	108,841	109,724	15,057	15,057	24,875	22,756
Union	58,481	58,942	0	0	1,463	1,187
Vernon	332,706	335,394	15,328	15,328	97,008	96,763
Voluntown	153,570	154,799	0	0	6,315	5,801
Wallingford	509,709	513,818	19,652	19,652	206,916	219,562
Warren					0	0
Washington					0	0
Waterbury	1,940,396	1,956,063	403,053	403,053	1,840,205	1,758,049
Waterford	4,386	4,424	0	0	2,477	3,625
Watertown	302,312	304,770	17,432	17,432	4,933	4,846
Westbrook	16,039	16,154	0	0	420	433
West Hartford	211,303	212,993	46,253	46,253	68,117	69,355
West Haven	1,024,476	1,032,770	56,551	56,551	94,215	88,810
Weston	2,658	2,696	0	0	396	415
Westport	1,000	1,000	0	0	1,877	1,967
Wethersfield	160,474	161,780	24,140	24,140	15,351	15,220
Willington	116,082	117,004	0	0	0	0
Wilton	1,000	1,000	0	0	493	516
Winchester	260,202	262,314	24,037	24,037	8,841	8,558
Windham	609,789	614,704	38,536	38,536	182,278	172,712
Windsor	330,269	332,957	42,889	42,889	44,950	44,462
Windsor Locks	116,240	117,162	0	0	13,172	11,918
Wolcott	274,415	276,642	0	0	4,359	4,386
Woodbridge	1,000	1,000	0	0	0	0
Woodbury					0	0
Woodstock	159,246	160,552	0	0	6,334	6,366
Boroughs						
Bantam	N/E	N/E	N/E	N/E	N/E	N/E
Danielson	N/E	N/E	N/E	N/E	N/E	N/E
Fenwick	N/E	N/E	N/E	N/E	N/E	N/E
Groton (City of)	N/E	N/E	N/E	N/E	N/E	N/E
Groton Long Point	N/E	N/E	N/E	N/E	N/E	N/E
Jewett City	N/E	N/E	N/E	N/E	N/E	N/E
Litchfield	N/E	N/E	N/E	N/E	N/E	N/E
Newtown	N/E	N/E	N/E	N/E	N/E	N/E
Stonington	N/E	N/E	N/E	N/E	N/E	N/E
Woodmont	N/E	N/E	N/E	N/E	N/E	N/E

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Education Cost Sharing Grant		TOTAL Statutory Formula Grants	
	2001-2002	2002-2003	2001-2002	2002-2003
Scotland	1,243,075	1,198,085	1,445,697	1,401,376
Seymour	7,614,312	7,849,146	8,341,186	8,572,566
Sharon	64,412	78,798	598,149	600,960
Shelton	4,420,640	4,261,329	5,634,139	5,457,627
Sherman	59,402	96,066	215,867	253,690
Simsbury	1,905,649	1,891,157	2,546,406	2,527,983
Somers	4,282,189	4,300,782	6,964,569	7,139,195
Southbury	858,029	971,768	1,936,769	2,028,538
Southington	15,337,543	15,112,601	17,088,328	16,856,558
South Windsor	8,378,675	8,743,359	9,205,038	9,570,931
Sprague	2,266,743	2,192,377	2,591,447	2,510,906
Stafford	8,346,406	8,044,333	9,790,411	9,614,327
Stamford	4,873,122	5,090,896	15,069,407	15,203,027
Sterling	2,526,730	2,548,916	2,889,784	2,913,303
Stonington	1,831,371	1,765,090	2,477,633	2,405,184
Stratford	11,346,169	12,577,352	14,225,987	15,346,506
Suffield	3,300,260	3,561,589	7,515,681	7,867,941
Thomaston	4,286,017	4,347,455	4,866,264	4,924,444
Thompson	6,415,909	6,183,705	7,153,420	6,901,160
Tolland	7,731,821	7,909,031	8,560,114	8,738,596
Torrington	18,473,616	18,677,825	21,581,684	21,717,120
Trumbull	1,988,639	2,057,690	2,922,270	2,980,774
Union	200,188	192,942	432,134	421,157
Vernon	14,931,248	14,480,066	17,482,267	16,967,608
Voluntown	2,226,291	2,181,765	2,819,162	2,763,564
Wallingford	17,819,732	17,463,337	20,474,370	20,129,082
Warren	55,517	59,654	200,857	201,247
Washington	109,492	136,838	384,157	407,673
Waterbury	85,221,570	88,194,461	108,771,342	112,498,512
Waterford	340,435	507,130	1,268,261	1,403,914
Watertown	9,780,685	9,481,890	10,774,254	10,477,577
Westbrook	195,745	234,198	579,260	612,168
West Hartford	6,488,793	7,806,746	10,352,907	11,646,718
West Haven	34,241,574	34,199,820	38,728,994	38,706,418
Weston	262,733	386,992	497,025	623,381
Westport	490,437	782,309	1,570,200	1,729,815
Wethersfield	2,675,583	3,382,241	4,195,154	4,876,366
Willington	3,152,797	3,038,691	3,653,343	3,535,794
Wilton	342,110	580,906	743,200	980,925
Winchester	6,646,668	6,406,112	7,751,948	7,505,001
Windham	19,908,719	19,914,422	26,829,672	26,418,370
Windsor	7,632,192	7,841,346	8,870,025	9,095,352
Windsor Locks	2,092,359	2,365,178	6,497,669	6,561,797
Wolcott	10,047,208	10,338,675	10,814,541	11,120,111
Woodbridge	300,817	376,009	573,759	637,670
Woodbury	570,907	619,931	855,973	903,000
Woodstock	3,953,598	4,027,753	4,482,389	4,558,865
Boroughs				
Bantam	N/E	N/E	420	403
Danielson	N/E	N/E	4,775	19,689
Fenwick	N/E	N/E	3,187	3,226
Groton (City of)	N/E	N/E	95,074	94,650
Groton Long Point	N/E	N/E	4,936	4,949
Jewett City	N/E	N/E	48,007	47,915
Litchfield	N/E	N/E	933	2,023
Newtown	N/E	N/E	519	505
Stonington	N/E	N/E	15,880	16,304
Woodmont	N/E	N/E	13,614	13,602

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	PILOT: State Owned		PILOT: Colleges & Hospitals		Mashantucket Pequot And Mohegan Fund Grant	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Regional School Districts						
District No. 1	N/E	N/E	N/E	N/E	N/E	N/E
District No. 4	N/E	N/E	N/E	N/E	N/E	N/E
District No. 5	N/E	N/E	N/E	N/E	N/E	N/E
District No. 6	N/E	N/E	N/E	N/E	N/E	N/E
District No. 7	N/E	N/E	N/E	N/E	N/E	N/E
District No. 8	N/E	N/E	N/E	N/E	N/E	N/E
District No. 9	N/E	N/E	N/E	N/E	N/E	N/E
District No. 10	N/E	N/E	N/E	N/E	N/E	N/E
District No. 11	N/E	N/E	N/E	N/E	N/E	N/E
District No. 12	N/E	N/E	N/E	N/E	N/E	N/E
District No. 13	N/E	N/E	N/E	N/E	N/E	N/E
District No. 14	N/E	N/E	N/E	N/E	N/E	N/E
District No. 15	N/E	N/E	N/E	N/E	N/E	N/E
District No. 16	N/E	N/E	N/E	N/E	N/E	N/E
District No. 17	N/E	N/E	N/E	N/E	N/E	N/E
District No. 18	N/E	N/E	N/E	N/E	N/E	N/E
District No. 19	N/E	N/E	N/E	N/E	N/E	N/E
CREC	N/E	N/E	N/E	N/E	N/E	N/E
Education Connectic	N/E	N/E	N/E	N/E	N/E	N/E
EASTCONN	N/E	N/E	N/E	N/E	N/E	N/E
Grantee subtotal:	67,996,980	65,799,944	100,707,129	96,930,037	135,000,000	135,000,000

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Town Aid Road Fund Grant		Local Capital Improvement (LoCIP) Program		Miscellaneous Grants (See Explanation on Page E-3.)	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Regional School Districts						
District No. 1	N/E	N/E	N/E	N/E	0	0
District No. 4	N/E	N/E	N/E	N/E	0	0
District No. 5	N/E	N/E	N/E	N/E	0	0
District No. 6	N/E	N/E	N/E	N/E	0	0
District No. 7	N/E	N/E	N/E	N/E	0	0
District No. 8	N/E	N/E	N/E	N/E	0	0
District No. 9	N/E	N/E	N/E	N/E	0	0
District No. 10	N/E	N/E	N/E	N/E	0	0
District No. 11	N/E	N/E	N/E	N/E	52,020	52,020
District No. 12	N/E	N/E	N/E	N/E	0	0
District No. 13	N/E	N/E	N/E	N/E	0	0
District No. 14	N/E	N/E	N/E	N/E	0	0
District No. 15	N/E	N/E	N/E	N/E	25,948	25,960
District No. 16	N/E	N/E	N/E	N/E	0	0
District No. 17	N/E	N/E	N/E	N/E	0	0
District No. 18	N/E	N/E	N/E	N/E	0	0
District No. 19	N/E	N/E	N/E	N/E	0	0
CREC	N/E	N/E	N/E	N/E	0	0
Education Connectic	N/E	N/E	N/E	N/E	0	0
EASTCONN	N/E	N/E	N/E	N/E	0	0
Grantee subtotal:	34,856,799	34,856,799	30,000,000	30,000,000	22,248,349	22,098,295

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Public School Pupil Transportation		Non-Public School Pupil Transportation		Adult Education	
	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003
Regional School Districts						
District No. 1	4,491	4,529	0	0	10,195	9,730
District No. 4	40,441	40,787	0	0	10,536	10,931
District No. 5	106,911	107,794	0	0	6,616	6,346
District No. 6	72,773	73,349	0	0	406	428
District No. 7	197,382	198,995	0	0	4,181	4,364
District No. 8	238,164	240,084	0	0	6,284	6,233
District No. 9	15,511	15,626	0	0	0	0
District No. 10	360,375	363,293	0	0	1,209	1,234
District No. 11	76,546	77,160	0	0	0	0
District No. 12	71,033	71,609	4,657	4,657	282	257
District No. 13	239,421	241,341	0	0	12,623	12,704
District No. 14	129,858	130,895	0	0	4,350	4,425
District No. 15	297,776	300,195	0	0	575	572
District No. 16	469,918	473,720	30,767	30,767	2,328	2,279
District No. 17	282,868	285,172	0	0	9,752	9,904
District No. 18	69,863	70,439	0	0	1,645	1,806
District No. 19	303,639	306,097	0	0	28,874	27,723
CREC	0	0	0	0	250,208	243,666
Education Connectic	0	0	0	0	122,465	123,007
EASTCONN	0	0	0	0	79,790	76,902
Grantee subtotal:	47,500,000	47,800,000	4,710,564	4,710,564	17,552,941	16,815,618

February 2002 Estimates of Statutory Formula Grants for Fiscal Years 2001-2002 and 2002-2003

Municipalities	Education Cost Sharing Grant		TOTAL Statutory Formula Grants	
	2001-2002	2002-2003	2001-2002	2002-2003
Regional School Districts				
District No. 1	N/E	N/E	14,259	14,259
District No. 4	N/E	N/E	51,718	51,718
District No. 5	N/E	N/E	114,140	114,140
District No. 6	N/E	N/E	73,777	73,777
District No. 7	N/E	N/E	203,359	203,359
District No. 8	N/E	N/E	246,317	246,317
District No. 9	N/E	N/E	15,626	15,626
District No. 10	N/E	N/E	364,527	364,527
District No. 11	N/E	N/E	129,180	129,180
District No. 12	N/E	N/E	76,523	76,523
District No. 13	N/E	N/E	254,045	254,045
District No. 14	N/E	N/E	135,320	135,320
District No. 15	N/E	N/E	326,727	326,727
District No. 16	N/E	N/E	506,766	506,766
District No. 17	N/E	N/E	295,076	295,076
District No. 18	N/E	N/E	72,245	72,245
District No. 19	N/E	N/E	333,820	333,820
CREC	N/E	N/E	243,666	243,666
Education Connectic	N/E	N/E	123,007	123,007
EASTCONN	N/E	N/E	76,902	76,902
Grantee subtotal:	1,458,823,631	1,472,758,806	1,919,410,713	1,927,257,210

Programs for which grantee-specific data are not available:

Reimbursement: Exempt Machinery, Equipment & Commercial Vehicles	75,000,000	74,200,000
Excess Costs-Students	59,500,000	71,000,000
Excess Costs-Equity	8,500,000	0
School Based Child Health	8,600,000	10,500,000
Extended School Hours	3,108,991	3,110,294
School Readiness	40,035,203	40,033,135
OPEN Choice	7,100,000	8,740,000
Priority School Districts	20,725,625	20,057,500
Transitional School Districts	1,000,000	0
Early Reading Success	20,351,887	20,360,962
Magnet Schools	33,007,758	45,188,220
School Accountability	2,700,000	2,700,000
Subtotal:	279,629,464	295,890,111
GRAND TOTAL:	2,199,040,177	2,223,147,321

From surplus:

RESC Based Magnet Schools/ Interdistrict	2,800,000	0
School Accountability	1,000,000	1,000,000
Early Reading Success	1,000,000	1,000,000
Poor Performing Schools	1,400,000	1,400,000



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